

## MOTHERCARE PLC Q4 Trading update

Mothercare plc, the leading international mother and baby retailer, today issues the following trading update, which covers the 12 and 52 week periods to 29 March 2014.

### Overview for Q4 – 12 weeks to 29 March 2014

- Worldwide network sales were down 2.5% with Group reported sales up 0.6%
- Mothercare plc now operates from 4.4 million sq.ft., up 5.8% year-on-year, and has 1,441 stores across 60 markets worldwide
- International has seen an improvement in constant currency sales to 9.8% but, as highlighted in January, the increasing level of currency devaluation has had an adverse impact on reported retail sales
- In the UK both like-for-like and Direct in Home sales have improved since Q3
- Full year FY2014 underlying profit is expected to be in line with current market forecasts
- In the UK, we expect the environment to remain competitive and promotional. In International, we expect the effects of currency devaluation to continue into the new financial year
- Mark Newton-Jones was appointed Interim Chief Executive during the quarter

### Group performance for 12 and 52 weeks to 29 March 2014

	12 weeks to:	52 weeks to:
	29 March 2014	29 March 2014
	% change year-on-year	
<b><u>Group</u></b>		
Worldwide network sales <sup>(1)</sup>	(2.5)	0.5
Total group sales	0.6	(2.6)
<b><u>International</u></b>		
International retail sales in constant currencies <sup>(1)</sup>	9.8	9.3
International retail sales in moving currencies <sup>(1)</sup>	(1.8)	6.5
International space (change in sq.ft.)	13.1	13.1
<b><u>UK</u></b>		
Total UK sales	(4.0)	(7.5)
UK like-for-like sales <sup>(1)</sup>	(0.3)	(1.9)
Direct in Home sales	1.8	5.9
UK space (change in sq.ft.)	(3.8)	(3.8)

NB – All numbers in the table above (Group and International) are excluding Mothercare Australia Limited <sup>(3&4)</sup> in which Mothercare plc had a minority 23% stake.

### Alan Parker, Chairman of Mothercare plc, said:

"After a difficult Q3, it is encouraging to note that we have seen some improvement in trading for both International and the UK.

"International has continued to increase space and constant currency sales growth is stronger than the previous quarter, with positive like-for-likes. However the pace of currency devaluation, as highlighted in January, has increased with all four regions impacted. This adverse currency impact is expected to persist into next year. Nevertheless, our franchise partners continue to see opportunity and their business plans confirm double-digit space growth.

"In the UK we have continued to close loss-making stores and focus on a lean retail operation. We are increasingly moving to a multi-channel business with 29% of the sales mix, up from 25% in the previous year, attributable to our Direct business. UK like-for-like sales and margins are in line with expectations for the quarter, despite continued pricing-pressure in Home and Travel.

"We remain profitable at Group level and are focused on eliminating UK losses whilst also continuing to exploit our growth potential across our International markets."

**Conference call**

A conference call for Analysts will be held at 08:00hrs today.

**Enquiries to:**

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**Notes:**

**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.

**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.

**3** – Mothercare Australia Limited, a company in which Mothercare plc (through its subsidiary Mothercare Finance Limited) had a minority 23% shareholding, was placed into administration by its Directors on 30 January 2013. Retail sales for Mothercare Australia Limited amounted to £43.3m for FY2013 and relate to retail sales achieved from 1 April 2012 to 30 January 2013. Comparable figures for both FY2013 and FY2014 are available in the tables below.

**4** – Including Mothercare Australia Limited, Worldwide network sales were down 3.6% and Total group sales were up 0.7% for Q4.

**Table 1: Reconciliation of reported growth rates for International for the year to 30 March 2013**

	<b><u>Inc Australia (1 Apr 2012 to 30 Jan 2013)</u></b>				<b><u>Ex Australia for all of FY2013</u></b>			
	<b>Constant currency (%)</b>		<b>Moving currency (%)</b>		<b>Constant currency (%)</b>		<b>Moving currency (%)</b>	
	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>
Q1	15.2		10.8		14.4		9.1	
Q2	15.2	15.2	10.8	10.8	14.4	14.4	10.4	9.7
Q3	14.8	15.1	12.0	11.2	15.8	14.9	12.7	10.7
Q4	9.0	13.8	8.9	10.7	15.3	15.0	15.5	11.8

**Table 2: Reconciliation of reported growth rates for International for the year to 29 March 2014**

	<b><u>Inc Australia (1 Apr 2012 to 30 Jan 2013)</u></b>				<b><u>Ex Australia for all of FY2013</u></b>			
	<b>Constant currency (%)</b>		<b>Moving currency (%)</b>		<b>Constant currency (%)</b>		<b>Moving currency (%)</b>	
	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>	<b>Quarter</b>	<b>YTD</b>
Q1	3.8		6.2		11.3		14.1	
Q2	5.8	4.7	4.8	5.5	12.6	11.9	12.4	13.3
Q3	(4.1)	1.9	(7.5)	1.2	3.3	9.2	0.4	9.0
Q4	7.8	3.1	(3.6)	0.1	9.8	9.3	(1.8)	6.5

**5** – Overall space was up 5.8% year-on-year at the end of the fourth quarter with space in the UK down 3.8% year-on-year and International space up 13.2% year-on-year.

<b>Space (k sq.ft.)</b>	<b>Q1 FY2014</b>	<b>Q2 FY2014</b>	<b>Q3 FY2014</b>	<b>Q4 FY2014</b>
UK	1,770	1,770	1,760	1,737
International	2,430	2,505	2,610	2,656
<b>Total</b>	<b>4,200</b>	<b>4,275</b>	<b>4,370</b>	<b>4,393</b>
<b>Stores (#)</b>	<b>Q1 FY2014</b>	<b>Q2 FY2014</b>	<b>Q3 FY2014</b>	<b>Q4 FY2014</b>
UK - Mothercare	192	191	191	189
UK - ELC	50	46	40	31
<b>Total UK</b>	<b>242</b>	<b>237</b>	<b>231</b>	<b>220</b>
International	1,116	1,156	1,201	1,221
<b>Total</b>	<b>1,358</b>	<b>1,393</b>	<b>1,432</b>	<b>1,441</b>

**6** – Mothercare plc will release its Preliminary Results for the 52-week period to 29 March 2014 on Thursday 22 May 2014.