

## MOTHERCARE PLC Q3 trading update

Mothercare plc, the leading global retailer for parents and young children, today issues the following trading update, which covers the 13 week period to 10 January 2015.

### Overview for Q3 – 13 weeks to 10 January 2015

#### Financial highlights

- International double-digit growth with constant currency sales up 14.4% and space up 11.5%. As expected, currency devaluation has impacted reported retail sales growth
- UK like-for-like sales up 1.1% with total UK sales down 1.9% despite space being down 4.2%
- Multi-channel growth with UK online sales up 16.1%, representing 31.8% of total UK sales (26.9% last year)
- UK gross margin rate continues to stabilise as a result of more full price sales, lower levels of promotional activity and delaying the end of season sale until Boxing Day
- Worldwide sales up 2.2% with reported total Group sales down 2.9%

#### Operational highlights

- Mobile continuing to grow and now accounting for 75% of UK online sessions (65% last year)
- Q3 click-and-collect orders up 10.7% representing 36.6% of UK online orders
- End of season sale stock 16% lower and sell through rate to date 13% better than last year
- During the quarter, we opened 24 International stores (103 opened YTD) and closed 6 UK stores (20 closed YTD)

### ***Group performance for 13 weeks to 10 January 2015***

	<b>13 weeks to:</b>	<b>41 weeks to:</b>
	<b>10 January 2015</b>	
	<b>% change year-on-year</b>	
<b><u>Group</u></b>		
Worldwide sales <sup>(1)</sup>	2.2	0.3
Total group sales <sup>(2)</sup>	(2.9)	(1.6)
<b><u>International</u></b>		
International retail sales in constant currencies <sup>(1)</sup>	14.4	12.6
International retail sales in actual currencies <sup>(1)</sup>	5.4	1.3
International space (change in sq.ft.)	11.5	11.5
<b><u>UK</u></b>		
Total UK sales	(1.9)	(1.4)
Online sales	16.1	14.9
UK like-for-like sales <sup>(1)</sup>	1.1	1.3
UK space (change in sq.ft.)	(4.2)	(4.2)

### **Mark Newton-Jones, Chief Executive Officer of Mothercare plc, said:**

"Third quarter results are in line with our plan. Importantly, in the UK, we have continued to reduce the level of promotional activity and went into the end of season sale on Boxing Day, with less stock and later than in recent years. These actions are re-establishing Mothercare as a full price retailer and in turn stabilising our margin. In International, we have seen continued strong growth from all territories, despite the economic uncertainty in some markets.

"Whilst trading conditions remain challenging, we are continuing to make good progress on our strategic plan. Our vision is clear – to be the leading global retailer for parents and young children."

## Conference call

A conference call for Analysts will be held at 09:30hrs today.

## Investor and Analyst enquiries to:

### Mothercare plc

Mark Newton-Jones, Chief Executive Officer

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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 online sales. 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 sales are total International sales plus total UK sales.

**2** – Group sales is a statutory number and is made up of total UK sales and receipts from our International partners, which includes royalty payments and the cost of goods dispatched to our franchise partners.

**3** – 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.

**4** – Overall space was up 5.1% year-on-year at the end of the third quarter with space in the UK down 4.2% year-on-year and International space up 11.5% year-on-year.

Space (k sq.ft.)	Q1 FY2014	Q2 FY2014	Q3 FY2014	Q4 FY2014
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>
Stores (#)	Q1 FY2014	Q2 FY2014	Q3 FY2014	Q4 FY2014
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 - Mothercare	745	766	801	819
International - ELC	371	390	400	402
<b>Total International</b>	<b>1,116</b>	<b>1,156</b>	<b>1,201</b>	<b>1,221</b>
<b>Total</b>	<b>1,358</b>	<b>1,393</b>	<b>1,432</b>	<b>1,441</b>

Space (k sq.ft.)	Q1 FY2015	Q2 FY2015	Q3 FY2015	Q4 FY2015
UK	1,728	1,702	1,686	
International	2,753	2,828	2,907	
<b>Total</b>	<b>4,481</b>	<b>4,530</b>	<b>4,593</b>	
Stores (#)	Q1 FY2015	Q2 FY2015	Q3 FY2015	Q4 FY201
UK - Mothercare	186	183	180	
UK - ELC	25	23	20	
<b>Total UK</b>	<b>211</b>	<b>206</b>	<b>200</b>	
International - Mothercare	854	878	904	
International - ELC	411	422	420	
<b>International</b>	<b>1,265</b>	<b>1,300</b>	<b>1,324</b>	
<b>Total</b>	<b>1,476</b>	<b>1,506</b>	<b>1,524</b>	