

MOTHERCARE PLC Q4 trading update

Mothercare plc, the leading global retailer for parents and young children, today issues the following trading update, which covers the 11 and 52 week periods to 28 March 2015.

Overview for Q4 – 11 weeks to 28 March 2015

Financial highlights

- Worldwide sales growth of 4.1%, with growth in both UK and International
- International retail sales growth of 11.4% at constant currency, with currency continuing to have an adverse impact
- UK beginning to see some benefit from initiatives taken over the year with total UK sales up 1.5% and UK like-for-like sales growth of 5.1%, with positive like-for-like delivered for each quarter of the financial year
- Gross margins continuing to stabilise

Operational highlights

- International space up 9.0%, ending the year with 2.9m sq.ft. of space and 1,273 stores
- UK space down 4.5%, ending the year with 1.7m sq.ft. of space and 189 stores, as space rationalisation has continued as planned
- Online sales growth of c.32% during the quarter and now representing c.30% of total UK sales (c.25% last year)
- Mobile sales growth of c.31% and click-and-collect now running at c.36% of total online orders

Group performance for 11 weeks to 28 March 2015

				11 weeks to:	52 weeks to:
				28 March 2015	
				% change year-on-year	
<u>Group</u>	Q1	Q2	Q3		
Worldwide sales ⁽¹⁾	0.2	(1.7)	2.2	4.1	1.0
Total group sales ⁽²⁾	(1.8)	(0.1)	(2.9)	(1.0)	(1.5)
<u>International</u>					
International retail sales in constant currencies ⁽¹⁾	14.7	8.6	14.4	11.4	12.4
International retail sales in actual currencies ⁽¹⁾	0.8	(2.2)	5.4	5.5	2.1
International space (change in sq.ft.)	13.3	12.9	11.5	9.0	9.0
<u>UK</u>					
Total UK sales	(1.2)	(1.2)	(1.9)	1.5	(0.9)
Online sales	5.7	23.7	16.1	31.8	18.3
UK like-for-like sales ⁽¹⁾	0.9	2.1	1.1	5.1	2.0
UK space (change in sq.ft.)	(2.4)	(3.8)	(4.2)	(4.5)	(4.5)

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

"The final quarter is in line with our plan. In the UK our strategy of reducing promotional and discount activity and returning to being a full price retailer has continued to stabilise margin. By restricting discount periods we produced a stronger end of season sale with improved sell through rates as a result. Like-for-like and online sales have also benefitted from this approach along with the initiatives to improve product and service put in place during the year. In International, the underlying businesses remain robust but economic pressures have affected sales."

"Over the last year, we have made good progress with our strategic plan. It is still early days in our turnaround, but we are putting the foundations in place by modernising and investing in our business. Our International business will continue to be challenged by

ongoing global economic and foreign currency volatility and the UK will have to anniversary our new trading strategy during the year ahead.”

“Our vision remains clear – to be the leading global retailer for parents and young children and we look forward to updating you further on our progress and plans for the year ahead when we announce our full year results on Thursday 21 May 2015.”

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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 3.6% year-on-year at the end of the fourth quarter with space in the UK down 4.5% year-on-year and International space up 9.0% year-on-year.