

## MOTHERCARE PLC Q1 trading update

Mothercare plc, the leading global retailer for parents and young children, today issues the following trading update, which covers the 15 week period to 9 July 2016.

### **UK**

- UK like-for-like sales up 1.2% with the end-of-season sale brought forward by one week to clear stock following adverse weather in the quarter
- UK online sales up 6.4% with online now 35.5% of total UK sales (LY: 32.7%). Mobile now 84% of online traffic and 61% of online sales
- Total UK sales down (2.1%), reflecting the (4.8%) year-on-year reduction in space
- Retail space at the end of the quarter was 1.6m sq.ft. with 170 stores (162 Mothercare and eight ELC)

### **International**

- Constant currency sales were up 3.9% during the quarter with approximately half of the growth coming from the Middle East due to the earlier timing of Ramadan
- Actual currency sales were up 5.1% with the Middle East and Asia reporting fx gains during the quarter. Although the impact on profit will be limited due to hedging of royalty receipts
- Space was up 2.3% year-on-year with 3.0m sq.ft. of retail space and 1,322 stores (958 Mothercare and 364 ELC) at the end of Q1

### ***Group performance for 15 weeks to 9 July 2016***

|  | FY2016 |       |       |        | 15 weeks:<br>9 July 2016 |
|--|--------|-------|-------|--------|--------------------------|
|  | Q1     | Q2    | Q3    | Q4     | % change year-on-year    |
| <b><u>UK</u></b>   |        |       |       |        | <b>Q1</b>                |
| Total UK sales   | (0.9)  | 1.8   | (0.1) | 0.8    | (2.1)                    |
| Online sales   | 23.9   | 20.4  | 11.8  | 5.6    | 6.4                      |
| UK like-for-like sales <sup>(1)</sup>                            | 1.3    | 6.5   | 4.2   | 2.1    | 1.2                      |
| UK space (change in sq.ft.)                                      | (5.3)  | (7.4) | (6.1) | (6.4)  | (4.8)                    |
| <b><u>International</u></b>                                      |        |       |       |        |                          |
| International retail sales in constant currencies <sup>(1)</sup> | (1.3)  | 5.6   | (1.3) | (9.7)  | 3.9                      |
| International retail sales in actual currencies <sup>(1)</sup>   | (4.8)  | (5.3) | (9.5) | (10.8) | 5.1                      |
| International space (change in sq.ft.)                           | 7.9    | 6.6   | 5.8   | 4.6    | 2.3                      |
| <b><u>Group</u></b>  |        |       |       |        |                          |
| Worldwide sales <sup>(2)</sup>                                   | (3.5)  | (2.8) | (5.5) | (6.7)  | 2.7                      |
| Total group sales <sup>(3)</sup>                                 | (5.2)  | (7.1) | (5.4) | 1.4    | (1.7)                    |

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

"Our focus remains firmly on the turnaround of our business and putting strong foundations down for the future and we have made further progress during this quarter."

"In the UK sales were impacted by unseasonable weather, this resulted in bringing our end-of-season sale forward by one week to ensure a cleaner stock position while also making way for the new season's ranges. We continued with our refurbishment of stores in the quarter and continued to improve our customers' shopping experience both instore and online."

"International sales were materially helped by the timing of Ramadan, which was entirely in Q1 this year. We remain cautious and expect to see continued volatility during the first half of the year in our International business."

"We have not seen any immediate consumer reaction to the Brexit vote, but it is too early to call as we went into the end-of-season sale early. We hedge both dollar purchases and royalty receipts and we expect limited impact on our financial results this year."

"Our vision remains clear – to be the leading global retailer for parents and young children."

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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.

**2** – Worldwide sales are total International sales plus total UK sales. Total International sales are International retail sales plus International Wholesale sales.

**3** – Total 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.

**4** – 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.

**5** – Overall space was down (0.2%) year-on-year at the end of the first quarter with space in the UK down (4.8%) year-on-year and International space up 2.3% year-on-year.

**6** – We will be announcing our Half Year Results on Thursday 24 November 2016.