



Mothercare plc

INTERIM RESULTS 2001

Chris Martin
Chief Executive



M o t h e r c a r e p l c

Mark McMenemy

Finance Director



Profit statement

£m	01/02			00/01			
	Mothercare	Except'l	Total	Mothercare	Bhs	Except'l	Total
Sales	226.2	-	226.2	211.8	89.9	-	301.7
Achieved gross margin	94.6	-	94.6	84.1	n/a	n/a	
Costs	(90.7)	-	(90.7)	(82.3)	n/a	n/a	
Operating profit	3.9	-	3.9	1.8	(6.7)	(7.4)	(12.3)
Other	-	(4.1)	(4.1)	-	-	12.3	12.3
Interest	0.9	-	0.9	2.2	-	-	2.2
Profit / (loss) before tax	4.8	(4.1)	0.7	4.0	(6.7)	4.9	2.2
Tax	-	-	-	(1.2)	-	1.2	-
Profit / (loss) after tax	4.8	(4.1)	0.7	2.8	(6.7)	6.1	2.2

Bhs disposal completed on 22 May 2000



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Exceptional charge

	£m 01/02
Direct deliveries to stores	3.1
Additional warehousing costs	1.0
	4.1

Assumptions:

- These will be required until end of December 2001



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Operating profit	3.9	1.8



Sales

	Product Increase/(decrease) 01/02 vs 00/01
	%
Clothing	0.2
Home & Travel	12.9
Toys	9.1
	7.0



	Channel Increase/(decrease) 01/02 vs 00/01
UK Stores	%
Like-for-like	5.9
New space / closures	(0.5)
UK stores	5.4
Direct	87.9
Total UK	7.0
International	4.7
Total	6.8

Achieved gross margin %

%	01/02	00/01	Increase/(decrease)
Achieved gross margin	41.8	39.7	2.1

Cost movements

Increase/(decrease) 01/02 vs 00/01	£m	% increase
Store payroll	1.3	7.8
Store occupancy	3.2	9.9
Central costs	1.5	10.6
Other	2.4	12.2
Total	8.4	10.2



Sales & profit by channel

(before interest, tax and exceptionals)

Channel	Sales		Profit	
	01/02	00/01	01/02	00/01
£m				
UK Stores	199.8	189.7	2.1	1.4
International	19.1	18.2	1.9	1.0
Direct	7.3	3.9	(0.1)	
(0.6)				
Total	226.2	211.8	3.9	1.8



Balance sheet

£m	13 Oct 2001	14 Oct 2000
Fixed assets		
Tangible fixed assets	85.3	86.5
Investments	4.9	4.3
Total	90.2	90.8
Other net assets		
Stock	43.7	38.4
Debtors	27.4	30.6
Cash at bank and on hand	32.6	42.3
Provisions and creditors *	(66.9)	
(80.3)		
Net assets	127.0	121.8

* This includes obligations under finance leases.



Capital expenditure

£m	01/02	00/01
Refits	3.2	3.8
Infrastructure	1.6	1.1
Total	4.8	4.9

Cashflow

£m	01/02	00/01
Profit *	3.9	1.8
Depreciation *	6.2	6.3
Other	0.4	10.5
Total Inflow	10.5	18.6
Capital expenditure *	(4.8)	(4.9)
Net of proceeds *	-	9.3
Exceptional costs	(6.9)	(10.9)
Dividend	(1.0)	-
Acquisition of shares	(0.5)	(2.5)
Total Outflow	(13.2)	(9.0)
Cash flow	(2.7)	9.6**

* Mothercare only

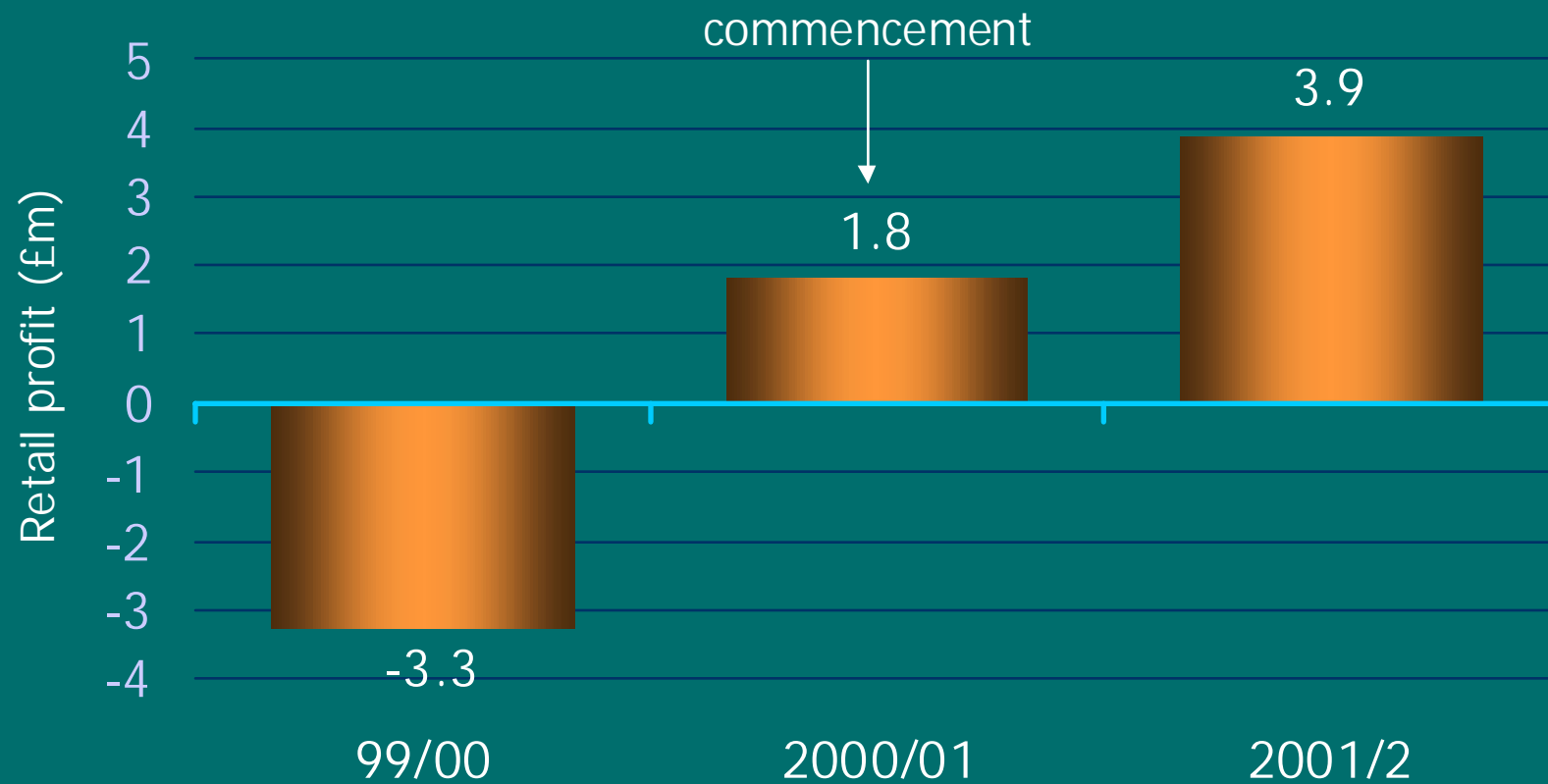
** Excludes Bhs trading and disposal proceeds



Chris Martin
Chief Executive



Mothercare Recovery Programme



* Half year one



Delivery of the strategy

- Sales per square foot £192
- Average customer spend +5.6%

** Half year one*



Progress

- Product
- Service



The new warehouse

Stockflow

Weeks *1 2 3 4 5 6 7 8 9 10 11 12 13

Daventry



Contingencies

Warehouse 1



Warehouse 2



Warehouse 3



Warehouse 4



Supplier Deliveries

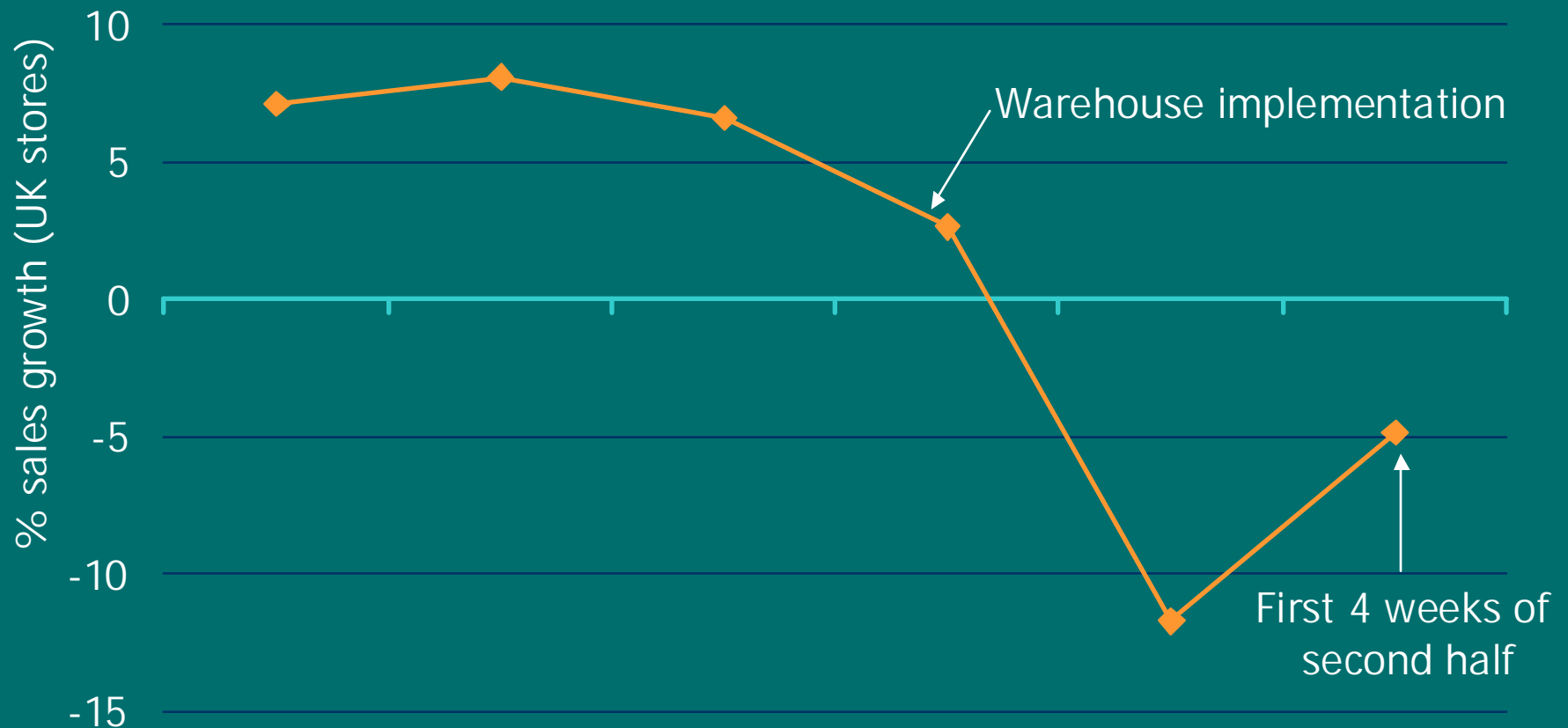


8th October
Announcement



* Weeks following warehouse implementation

Sales recovering with improved stock levels



* 4 week period

mothercare

Going forward - the warehouse action plan

Intake slowed early November



Recommencement of stock intake



Targeted output £8-£9m*

** UK stores end of December*



The Impact

- Cost of contingencies
- Current trading
- Second half

The Phased Recovery Programme

June 2000

March 2001

Phase 1 - Turnaround



Phase 2 – Recovery



Profit Performance



Driving the full potential of the brand



Improvements in A/W clothing range 2001

- Destination range
- Focus on core lines
- Option reduction



- Sales to date
- Improvement in margin

Mothercare World

- Sales growth +10.7%
- 62 stores with potential for at least 100
- Roll out started with Rotherham
- Four new stores signed up to open Q1 2002/3



Mothercare Direct

- Catalogue
 - Sales £5.5m, + 50%
- Dot Com
 - Sales £1.8m
 - Store based ordering



Mothercare International

- Profits increased to £1.9m
- Re-negotiation of major partnerships
- Retail sales +3%



Current trading

- For the four weeks to 10th November 2001:

	% decrease vs last year
UK sales	4.3
Total sales	7.6

