

press release

14 July 2011

International expansion keeps Mothercare on our 'buy' list for contrarian investors

- Mothercare reports like for like sales were down 4.3%
- The retailer's international exposure offset poor UK performance
- The Share Centre currently lists Mothercare as a 'buy' for contrarian investors

Graham Spooner, investment adviser at The Share Centre, explains what Mothercare's Q1 results means for investors.

"In a tough UK market, Mothercare's expansion in to international markets has offered much needed support. Results showed retail sales up 15.2% in these regions, where the company can benefit from a growing middle class and higher birth rates. This went some way to offsetting poor UK sales for the 15 weeks to 9 July 2011.

"Going forward, the company plans to close over a quarter of British stores and expand in to emerging markets, such as China, India, the Middle East, Eastern Europe and Latin America. This has already proved positive for the retailer.

"Mothercare has not performed well recently, however the question is whether the international operations can continue to offset disappointing performance in the UK. We feel this may be possible and recommend contrarian investors, who are willing to take a higher degree of risk, may wish to drip feed in to this stock and build a holding over time."

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About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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