

press release

18 July 2011

Share of the week from The Share Centre

Nick Raynor, investment adviser at The Share Centre, explains why retailer Mothercare is his share of the week:

“The retail sector remains under pressure and in these challenging markets a company’s name can be its biggest asset. In 2003 Mothercare’s share price was as low as 80p and the company was on the verge of collapse, however it was the strength of its brand that maintained its position in the market.

“In May the company announced around 110 store closures after a significant review of its UK operations. However, investors should note that these were high street stores, which generally are smaller premises with high rental costs, so it will allow the business to concentrate on its out of town shopping centres, increasing floor space and reducing costs.

“Mothercare’s international exposure is attractive for investors. The company is expanding in emerging markets with 62 stores in India and continued investment in China and South America. The company’s Q1 figures reported international sales rose by 16.3% to £570.9m and we expect this to increase as 150 new overseas stores are planned for the new financial year.

“The recent weakness in the share price is a more attractive entry point of around 400p and we feel the company’s international operations can continue to offset the recent disappointing performance in the UK. We recommend contrarian investors, who have a vision of longevity and are willing to take a higher degree of risk, may wish to drip feed into Mothercare.”

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The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

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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