



Mothercare Australia Limited

MARKET UPDATE

Appointment of Ciaron Murphy as CFO

The Board of Mothercare Australia ("MLC") is pleased to announce the appointment of Mr. Ciaron Murphy as Chief Financial Officer. Ciaron brings over 15 years of retail experience to the company, most recently with Espirit in Australia. Prior to joining Espirit in 2007, Ciaron worked in leading finance management positions with Cue, HMV Australia, and The Arcadia Group plc in the UK. Ciaron will take up his appointment on November 14th, and will also assume the role of Company Secretary.

Mothercare Rollout

The company is continuing the roll out of Mothercare stores across Australia, with the latest opening this last weekend at Chermside in North Brisbane. The Chermside site is a strategic location in the company's network plan. The Chermside store is our third in Brisbane, and facilitates the business obtaining the necessary scale to establish the Mothercare brand as a leader in the Queensland market.

Between now and Christmas, the company will open a further four Mothercare stores – Belrose and Top Ryde in NSW, Fyshwick in Canberra, and Sylvia Park in Auckland, New Zealand.

Q1 FY2011/12 Trading (July – September)

Like-for-like ("LFL") sales grew in Q1 by 7.5%. This reflects the increasing maturity of the Mothercare stores that have now been open 12 months, and the ongoing improvement in the online business. The toy and gift category remains challenging in this difficult retail environment. The company is, however, experiencing solid LFL growth in its core Home & Travel baby goods categories and in the fashion segment of the business.

Robert Gavshon

Chairman