

Annual General Meeting

30 November 2011



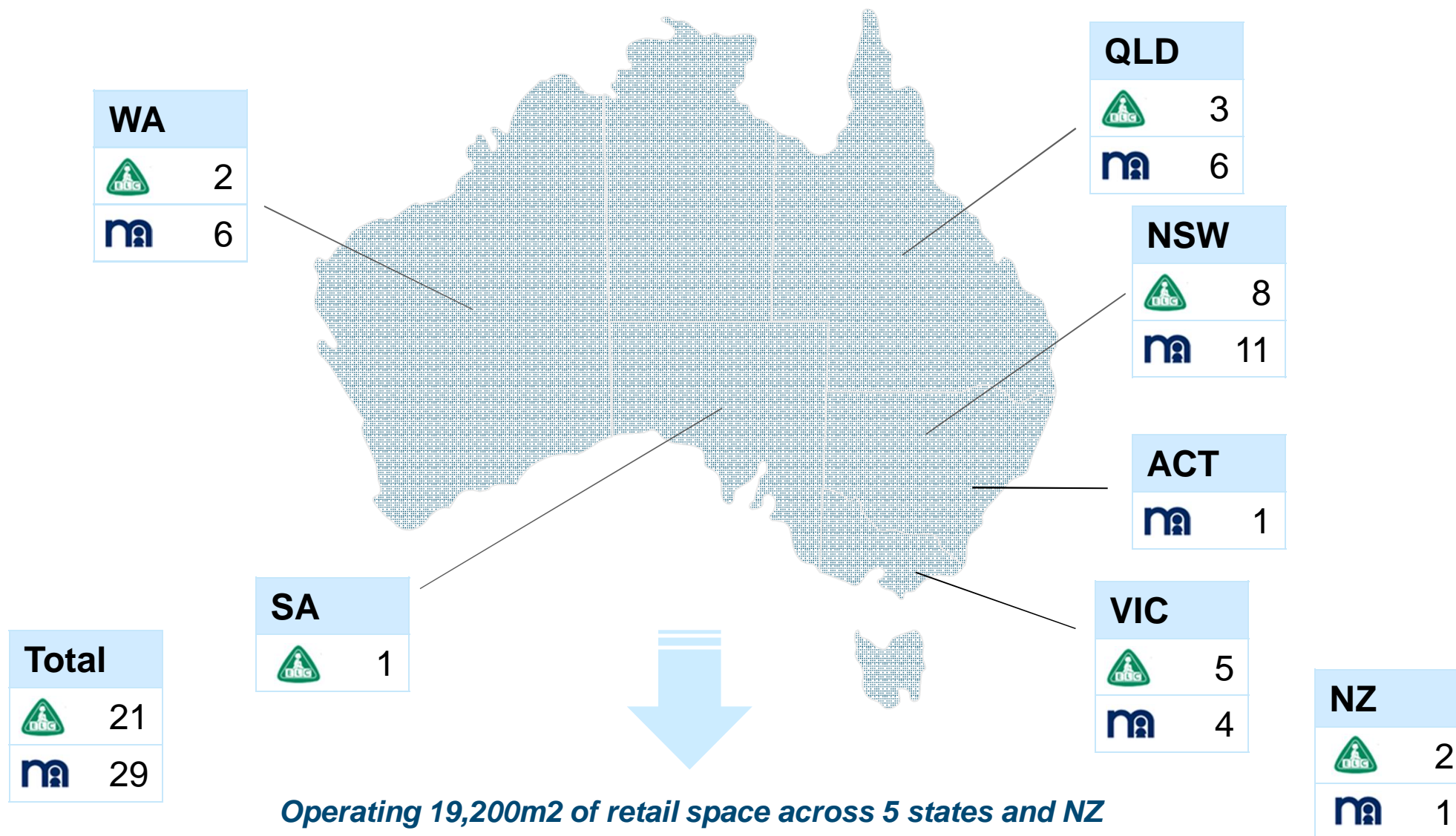
2011: Accelerated Mothercare rollout

Over the past year, Mothercare has expanded aggressively to achieve scale



Mothercare Australia Store Portfolio

Mothercare has become a leading player while achieving its strategic objective of establishing a national footprint

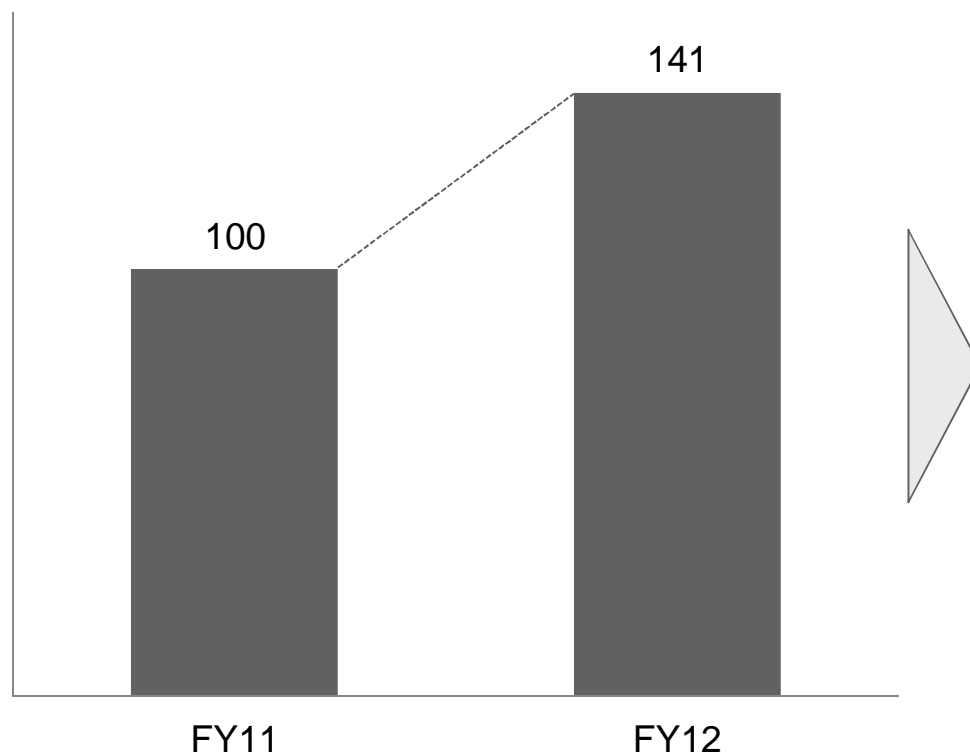


Note: ELC store count includes the Kids Central toy and gift stores

Mothercare Store Revenue Growth

Mothercare's 'growth curve' indicates the performance improvement that stores are experiencing as consumer awareness of the brand and store locations increases

Last 3 months sales in Stores open >1 yr vs. prior year
(Indexed)



Performance of the Mothercare stores open for longer than one year show a very encouraging growth profile:

- ✓ Substantial increase in visitors
- ✓ Revenue per m2 increasing
- ✓ Mix of revenue improving as locations increasingly recognized for apparel and toy offer

Note: Overall LFL growth in Q1 of FY2011 was 7.5%

“Much More Than You’re Expecting”

Mothercare has used a variety of media from catalogues to outdoor marketing in order to drive increased awareness of the Mothercare brand

The collage features several Mothercare advertisements:

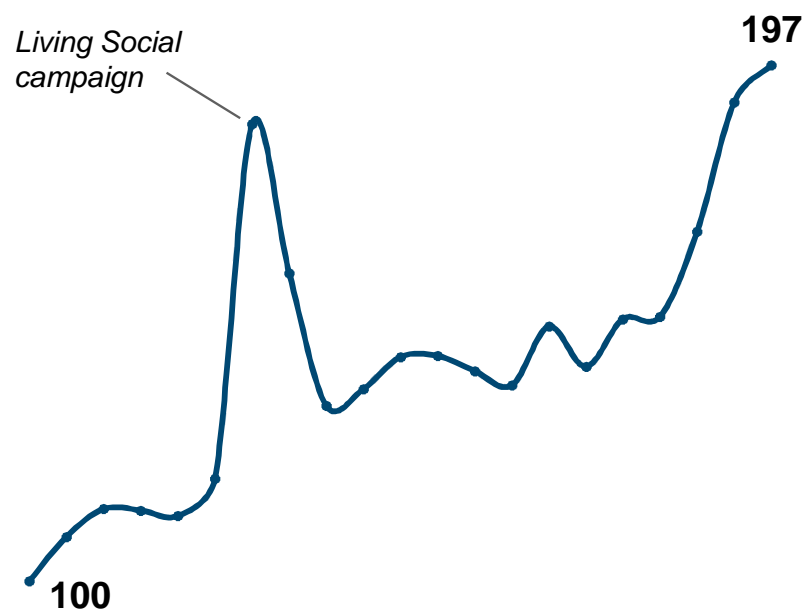
- Top Banner:** A large advertisement with a blue background on the left stating "mothercare the world's leading mother & baby store". The center shows a woman and child in a nursery. The right side has a blue background with the text "now open at Chadstone Knox" and "Doncaster Highpoint", followed by the Mothercare logo and the slogan "much more than you're expecting... fashion • nursery • car seats • prams & more".
- Website Screenshot:** A screenshot of the Mothercare website (mothercare.com.au) showing a woman and child, with the text "mothercare the world's leading mother & baby store" and "now open at a location near you".
- Outdoor Posters:** Three vertical posters with different backgrounds (pink, blue, and green). Each poster features the Mothercare logo, the slogan "much more than you're expecting...", and a list of products: "maternity, baby & kids fashion • nursery • car seats • prams • feeding & more". The blue poster includes a pink circle with the text "see inside for great offers on car seats, prams, feeding & fashion... hurry while stocks last". The green poster includes a pink circle with the text "great offers on prams, car seats, cots & more... hurry while stocks last".

Educating the customers re store locations and breadth of product offer

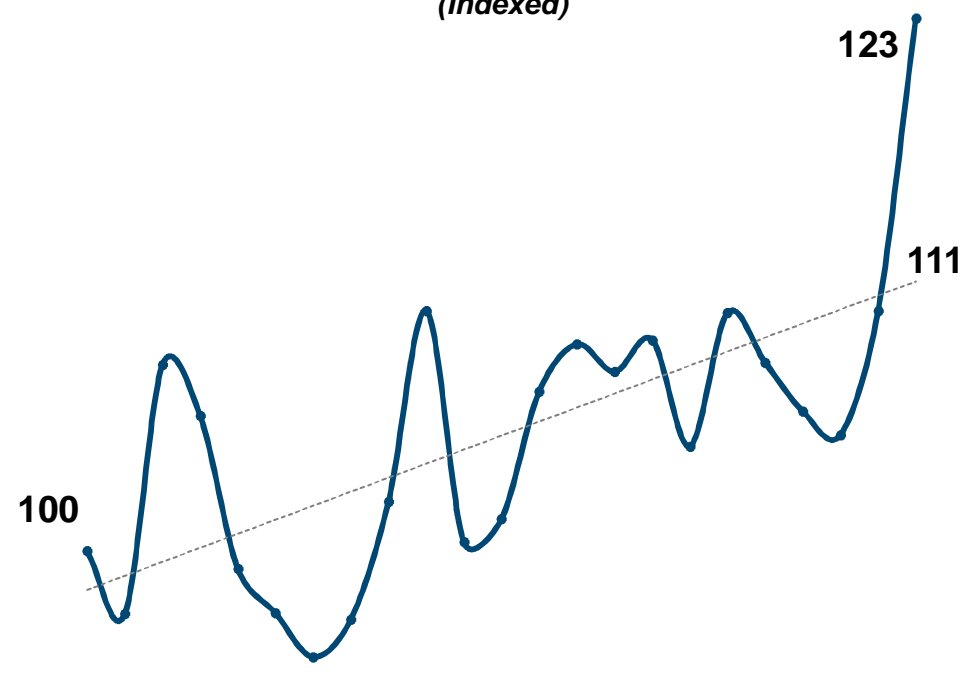
Mothercare Traffic

The investment in building the Mothercare brand is having the desired impact – a significant lift in traffic to both the Mothercare stores and mothercare.com.au

Unique Web Site Visitors July 2011 onwards
(Indexed)

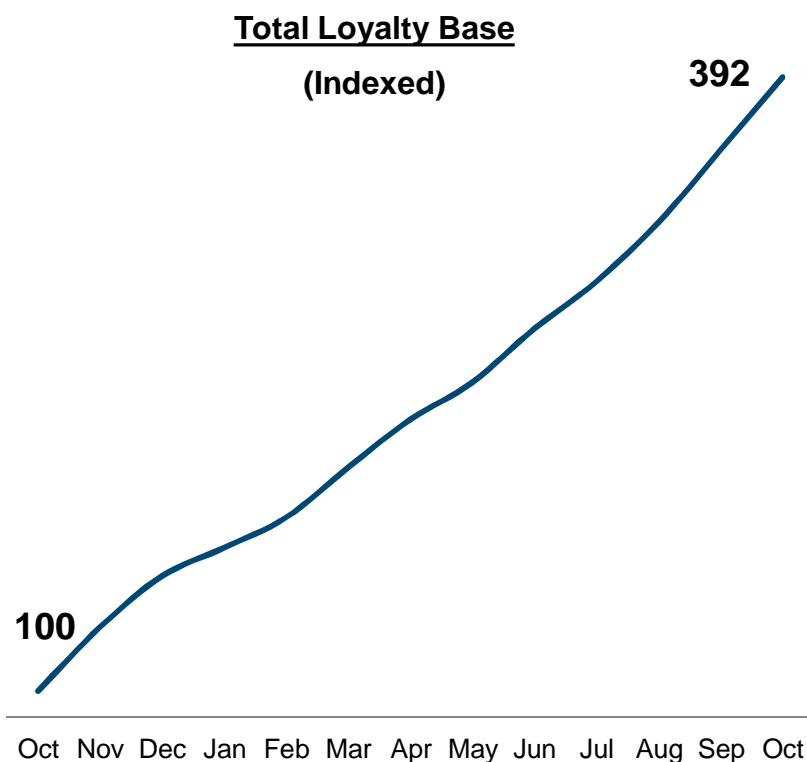


Mothercare 'Same Store' Visitors July – Nov 2011
(Indexed)



Mothercare Loyalty Programme

Key to our growth in store performance is the extent to which we are successfully growing the Mothercare loyalty program



- ❑ Increasing proportion of sales being captured on our two loyalty cards - *Mothercard* and *Kidscard*
 - We have recently launched the Grandmothercard to further penetrate that customer segment
- ❑ Higher average transaction values achieved with loyalty card member transactions
- ❑ Significant % of customers have purchased multiple times on their loyalty card – indicating stickiness of brand once customers are aware and have purchased

Operational Update

As part of the integration process, Mothercare Australia is focused on improving operational efficiency

- ❑ The group's warehousing operation for the non-apparel categories (i.e., Toy & Gift and baby "Home and Travel") has transitioned under a 3PL agreement to Toll in-to-store
 - Significant savings are anticipated as a result of leveraging Toll's scale and supply chain expertise
- ❑ All stores have been consolidated onto one common POS system, with further systems development planned to generate increased sales capability and organizational effectiveness
- ❑ Injection of significant retail expertise with addition of Ciaron Murphy (CFO) and Jason Garner (Retail Operations Manager) to the senior management team
- ❑ Increased emphasis on staff training in collaboration with Mothercare UK and local suppliers
- ❑ Ongoing focus on cost reduction and management to drive profit and margin improvement

Summary

Outlook

❑ First half FY2012 trading

- ✓ Price competition increasingly aggressive in the sector
- ✓ Margin improvement achieved with majority of required clearance effort completed in FY2011
- ✓ Significant investment in establishing the Mothercare brand
- ✓ Entering Christmas period with improving Toy & Gift sales trend. The new Christmas Gift Guide has been well received...the ELC website is now posting record traffic
- ✓ Balance Sheet strengthened by capital raising efforts

❑ Second half FY2012

- ✓ WA conversions to be completed in the first quarter of the new calendar year
- ✓ Sustain brand building momentum with continued marketing spend
- ✓ Focus on driving improvement in space productivity and sales mix to grow top line
- ✓ Inventory management a key initiative
- ✓ Attractive new store opportunities in strategic locations to be capitalized upon
- ✓ Revenue projection of +\$80M for FY2012