Moss Bros Group PLC
18 April 2013

Moss Bros Group PLC (the Company)

Annual Financial Report - DTR 6.3.5 Disclosure

Following the release on 22 March 2013 of the Company's preliminary results announcement for the financial year ended 26 January 2013 (the 'Preliminary Announcement'), the Company announces that its annual report and accounts for the financial year ended 26 January 2013, notice of Annual General Meeting for 2013 and form of proxy for use at the Annual General Meeting of the Company are being issued to shareholders today.

The Annual General Meeting of the Company is to be held on 5 June 2013 at 12 noon at the Company's registered office, 8 St John's Hill, Clapham, London, SW11 1SA. Copies of the Annual Report and Accounts, the Notice of Annual General Meeting and form of proxy are available on the Investor Relations page of the Company's website www.moss.co.uk

Copies of the Annual Report and Accounts, the Notice of AGM and the Proxy Form will shortly be available for inspection at the UK National Storage Mechanism at http://www.morningstar.co.uk/uk/NSM

Robin Piggott

Company Secretary

COMPLIANCE WITH DISCLOSURE AND TRANSPARENCY RULE 6.3.5 - EXTRACTS FROM THE ANNUAL REPORT AND ACCOUNTS

The information below, which is extracted from the 2013 Annual Report and Accounts, is included solely for the purpose of complying with DTR 6.3.5 and the requirements it imposes on issuers as to how to make public annual financial reports. It should be read in conjunction with the Company's Preliminary Announcement issued on 22 March 2013. Together these constitute the material required by DTR 6.3.5 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the full 2013 Annual Report and Accounts. Page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2013 Annual Report and Accounts.

The information contained in this announcement and in the Preliminary Announcement does not constitute the Group's statutory accounts as defined in the Companies Act 2006 but is derived from those accounts. The statutory accounts for the year ended 26 January 2013 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 5 June 2013. On 22 March 2013, the group announced its draft financial statements for the 52 weeks ending 26 January

2013. The auditors have subsequently reported on those accounts, which were unchanged, their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) Companies Act 2006 or equivalent preceding legislation.

DIRECTORS' RESPONSIBILITY STATEMENT

The following statement is extracted from page 32 of the 2013 Annual Report and Accounts and is repeated here for the purposes of Disclosure and Transparency Rule 6.3.5 to comply with Disclosure and Transparency Rule 6.3. This statement relates solely to the 2013 Annual Report and Accounts and is not connected to the extracted information set out in this announcement or the Preliminary Announcement.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## PRINCIPAL RISKS AND UNCERTAINTIES

### Cash and Funding

Cash balances are managed and monitored on a daily basis and the peaks and troughs in the cash cycle are well known. We continue to operate the business from a debt free position and current trading levels generate a healthy cash flow which has been offset by investments in the stores. Nevertheless, the significant underinvestment in the store estate over the last few years does mean that we will need to incur capital expenditure, both to modernise the look and feel of the stores and to meet more routine maintenance that has been deferred for many years. The returns from this activity will be very closely monitored.

### Inventory and Continuity of Supply

Demand forecasting and stock ordering and intake are aligned to maximise sales and to minimise capital investment. The placing of all orders is subject to product demand forecasting models and reflects ongoing rates of sale of all product lines.

The consolidation of product buying into fewer suppliers creates sufficient scale to mitigate the risk of the suppliers going out of business in the short to medium term. Negotiations take place regularly with key suppliers regarding rate and payment terms. We are also exploring opportunities for direct supply, where appropriate.

Increases in raw material prices and fluctuation in currency rates could be considered a risk factor for the Group however management has mitigated this risk as a significant proportion of inventory prices have been agreed with the suppliers, and forward currency contracts taken out for the 2013/14 financial year, although this remains closely under review.

The Hire business demands the highest level of customer service and this is delivered through a highly developed and efficient infrastructure which enables consistent 'delivery to promise'. Any disruption to this infrastructure would affect our ability to maintain customer service levels. Plans have been put in place to mitigate any issues in this area.

### Property

The business operates from a portfolio of high street, shopping centre and factory outlet stores all held under operating leases. Each store is evaluated annually to assess its ongoing commercial viability. Given the importance of optimising the Group's property portfolio, the Group has increased its in-house managing resource in this area in order that opportunities for the development of its store portfolio are maximised. All opportunities are rigorously evaluated both operationally and financially before renewals are signed and/or new lease acquisitions are made.

Recruitment and Retention

Attracting and retaining high calibre people is a key priority and a central focus in striving for excellent customer service across the Group's business channels. People development continues to be improved so that the Group can take full advantage of the recovery in its performance.

ENQUIRIES:

Robin Piggott

Moss Bros Group plc
Company Secretary

18 April 2013