

For immediate release

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MOSS BROS GROUP PLC
Trading Update & Dividend Policy
Group to exceed market expectations

Moss Bros Group PLC (“the Group”), the UK’s No.1 men’s formalwear specialist, today issues the following trading update for the 24 week period from 28 July 2013 to 11 January 2014 and guidance on future dividend policy.

Trading Update

Trading accelerated over the Christmas period and as a consequence the Group expects to exceed market expectations for the 2013/14 financial year.

Highlights:

- Like for like sales for the 5 weeks to 11 January 2014 were up 12.9% on the same period last year.
- Like for like sales for the 24 weeks to 11 January 2014 were up 7.3% on the same period last year.
- Like for like cash gross profit for the 24 weeks to 11 January 2014 was 5.6% ahead of last year.
- The improved sales performance over Christmas and continued tight cost control has meant that profit expectations for the 2013/14 financial year will exceed market expectations. Stock levels at the year end are expected to be in line with management estimates.

Dividend Policy

The Board has considered the appropriateness of the Group’s balance sheet in light of the cash generative nature of the business and of the Group’s anticipated net cash position at the year ending 25 January 2014 of approximately £28.0 million. Following this review, the Board is pleased to announce that the Company intends to pursue an accelerated dividend policy to reduce its net cash position to a year end position of c. £15.0million over the medium term. The Board feels £15.0 million is an appropriate level of net cash taking into account the working capital requirements of the Group.

Subject to any other strategic opportunities arising, therefore, the Board intends to announce with its full year results for the year ended 25 January 2014 a recommended final dividend of 4.7 pence per share, being a total dividend of 5.0 pence per share for the year. This compares with 0.9 pence per share for the year ended 26 January 2013. The Board expects to increase this dividend payout progressively thereafter.

Dividend payments in future periods will be split approximately one-thirds, two-thirds between interim and final dividends for any financial year.

Whilst the dividend for the year ended 25 January 2014 will be partly uncovered by earnings, given the strength of the Company’s balance sheet and the cash generative nature of the business, the Board believes that this level of growing dividend payment is sustainable and leaves sufficient working capital flexibility going forwards.

Commenting on the outlook, Brian Brick, Chief Executive Officer, said:

“We are encouraged by trading over the key Christmas trading period. The improved sales performance and continued strong cost management and rigorous clearance of stock, means that we will finish 2013/14 ahead of market expectations.

An ongoing focus on cash management has allowed us to announce an accelerated and progressive dividend policy.

I would like to thank all our staff for their continued hard work and commitment during this busy period.

We remain conscious of the competitive trading environment but continue to implement our strategic plan to grow the business.”

The Group will announce its Preliminary Results on 26 March 2014.

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