MOSS BROS GROUP PLC
HALF YEARLY FINANCIAL REPORT
FOR THE 26 WEEKS TO 28 JULY 2012

Moss Bros Group PLC ("the Group"), today announces its Half Yearly Financial Results, covering the 26 week period from 29 January 2012 to 28 July 2012.

The Group's trading performance continues positively, in line with the Board's expectations and the business is well placed to make further progress during the second half.

HIGHLIGHTS

Financial

- Like for like* sales continued to grow, up 5.7%.
- Continuing operations pre-tax profit of £2.2m, (HY1 2011: £2.2m), reflecting later phasing of Hire profits into second half of 2012/13.
- EBITDA** of £4.3m, (HY1 2011: £4.2m).
- As anticipated gross margin from continuing operations was down 2.2 percentage points to 60.4% (HY1 2011: 62.6%) as we took the decision to absorb increases in raw material cost prices. These input cost increases have now stabilised and with the benefit of the introduction of direct sourcing, gross margins for the second half are on an improving trend against the prior year.
- Total net inventory increased to £13.1m (30 July 2011: £11.6m) as planned, to address prior year stock shortages. Residual Spring stocks have been successfully cleared.
- Strong cash balance of £26.2m (30 July 2011: £15.4m) reflecting strong cash management and receipt of the Hugo Boss disposal proceeds.
- Following the re-introduction of the final dividend approved in May this year, the Board has decided to build on its progressive dividend policy and will make an interim dividend of 0.2 pence per share, payable in November 2012.

Operational

- The business successfully adapted its operations to cope with the challenges posed by the Olympic Games, including introducing night deliveries to central London stores. Although the impact on profit of the Games is expected to be neutral overall, the Hire business experienced a deferral of wedding bookings from the first half into the second half worth approximately £1.9m in sales revenue compared with last year. The shortfall in Hire income in the first half against last year of £1.4m will therefore be fully recouped in the second half.
- The refit programme to modernise the Moss store portfolio commenced and four stores were refitted in the first half and early indications are encouraging. A further 12 stores are planned to be refitted in the second half of the year. Our intention is to refit a total of 90 stores over the next five years.
- Our on-line capability continues to be developed with sales from this channel growing by 42%. A new Retail website will go live in time for Christmas 2012 and a Hire website is planned to go live in the first quarter of 2013.

Current trading and outlook

- Trading in the seven weeks to 15 September 2012 is encouraging. Like for like* sales continue to be positive, although growing at a lower rate than the first half, as anticipated, due to the impact of the Summer's sporting events. The gross margin has seen some recovery against last year through the easing of raw material prices and the continued positive trading performance. The Board, although mindful of the fragile external trading environment, anticipates that the outturn for the full year will be in line with management's expectations.

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

"These results reflect another period of progress for the Company. The Group has traded well across both hire and retail in the first six months of the year.

We continue to make good progress on our strategic priorities. The modernisation of the store portfolio continues and our plans for e-commerce are on track.

The early response to the Autumn/Winter range is positive, with like for like* sales continuing to improve year on year and gross margins are showing an improving trend against the prior year, hence our confidence following the reintroduction of the final dividend earlier in the year, to reintroduce an interim dividend in November.

Despite challenging economic conditions, the Group's trading performance continues positively, in line with the Board's expectations and the business is well placed to make further progress during the second half."

**Like for like represents financial information for stores open during both the current and prior financial periods and compares 26 weeks against 26 weeks, except for stores refitted in the period, where the period closed for refit is excluded from both the current and prior financial periods Like for like Hire sales are calculated on cash receipts in the period, before adjustment for the movement in the level of hire deposits held.*
*** EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items on continuing activities, and excludes the profit on disposal of discontinued operations.*

<u>For further information please contact:</u>

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Brian Brick, Chief Executive Officer

Robin Piggott, Finance Director

Buchanan: **0207 466 5000**

Charles Ryland/Nicola Cronk/Gabriella Clinkard

INTERIM MANAGEMENT REPORT

FOR THE 26 WEEKS TO 28 JULY 2012

To the shareholders of Moss Bros Group PLC

CAUTIONARY STATEMENT

This Interim Management Report ("IMR") has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. This IMR should not be relied on by any other party or for any other purpose.

This IMR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this IMR but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This IMR has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Moss Bros Group PLC and its subsidiary undertakings when viewed as a whole.

OVERVIEW

Moss Bros Group PLC ("the Group") retails and hires formal wear and fashion products for men, predominantly in the UK. The Group retails menswear through the Moss fascia and hires formal wear under the Moss Bros Hire brand through its mainstream stores.

The Group's vision is to be the UK's No.1 men's formalwear specialist for hire, buy and bespoke.

REVIEW OF THE FIRST HALF

The profit before tax from continuing operations for the first half was £2.2m (HY1 2011: £2.2m). The operating profit from continuing operations in the six months to 28 July 2012 was £2.0m, compared with £2.2m for the comparative period in 2011.

The business successfully managed a number of challenges in the first half, including the Euro 2012 football tournament and the run up to the Olympic Games. In overall terms these are expected to have a minimal impact on the full year performance of the business although these events, coupled with the Queen's Jubilee and the delay of Royal Ascot, did impact on the trading pattern of the business. The most significant of these impacts was the deferral of weddings from the last few weeks of the first half into the early weeks of the second half. It is pleasing to note that the shortfall on Hire income experienced in the first half will be fully recouped in the second half.

Trading performance

The Group traded well in the first half, Retail sales and gross profits were ahead of last year, with Hire also performing well.

Total revenue excluding VAT from continuing operations has increased by 1.6% in the six months to 28 July 2012 compared with the comparative period in 2011. Like for like* retail sales performed well, increasing by 6.5%. Moss Bros Hire maintained its position as the leading brand name in formal hire and recorded a like for like* sales increase, (before the deferral of revenue in relation to Hire deposits) of 2.6%. Overall like for like* sales were up 5.7% in the first half.

As expected the increase in raw material cost prices, which we decided not to pass on to customers, continued to affect gross margins, continuing the trend first seen in the second half of last year, and gross margin fell by 2.2% in the first six months. These price increases however have moderated and, with the benefit of the introduction of direct sourcing, gross margins are now on an improving trend against the prior year.

Cost control remained an important factor with all expenditure carefully planned and monitored. Administration and Shops' selling and marketing costs were £0.5m lower than the prior year due to one off charges in the prior year of £0.8m relating to severance costs and an acceleration in the write off of the 2009 Long Term Incentive Plan (LTIP) award.

Building on the success of the new shop fit that was implemented in a number of new openings in 2011, the programme to modernise the Moss store estate has commenced. Of the total 136 stores currently traded we expect to refit 90 stores in the next five years at a total cost of £11m and aim to achieve a three year payback period on the investment. To date four stores have been refitted with preparations under way to refit a further 12 stores in the second half. The initial results from the four stores refitted in the first half are encouraging.

The implementation of our multi-channel strategy is underway with a "click and collect" capability introduced in 12 test stores in the first half. A new retail website is planned to go live before Christmas this year and the launch of a transactional Hire website is planned for the first quarter of 2013. The viability of selling Moss product through 3rd party website platforms is also being evaluated. Additional resource has been recruited and we are optimistic that significant progress can be made over the next two years.

We have designed and delivered training to all our store managers in the first half of the year and plan to implement selling skills and product knowledge training across the business in the second half through the launch of the Moss Academy.

**Like for like represents sales including VAT for stores open throughout the current and prior financial periods and compares 26 weeks against 26 weeks except for stores refitted in the period, where the period closed for refit is excluded from both the current and prior financial periods Like for like Hire sales are calculated on cash receipts in the period, before adjustment for the movement in the level of hire deposits held*.

FINANCIAL SUMMARY

A summary of the key financial results is set out in the table below.

Key financials CONTINUING OPERATIONS	26 weeks to 28 July 2012 £'000	26 weeks to 30 July 2011 £'000	52 weeks to 28 January 2012 £'000
Revenue			
Retail	**43,101**	40,855	84,109
Hire	**9,561**	10,978	17,042
Total revenue	**52,662**	51,833	101,151
Gross profit			
Retail	**23,243**	22,940	45,933
Hire	**8,551**	9,485	14,470
Total gross profit	**31,794**	32,425	60,403
Administrative expenses (1)	**(3,080)**	(3,429)	(6,316)
Shops' selling and marketing costs (1)	**(26,672)**	(26,840)	(53,110)
Operating profit	**2,042**	2,156	977
Other gains and losses	**-**	-	(22)
Investment revenues	**171**	17	71
Financial costs	**(1)**	(17)	(126)
Profit before taxation	**2,212**	2,156	900
EBITDA (2)	**4,341**	4,183	5,830

(1) Administrative expenses and shops' selling and marketing costs are not analysed between Retail and Hire.
(2) EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items on continuing activities, and excludes the profit on disposal of discontinued operations.

DIVIDEND AND DIVIDEND POLICY

Following the resumption of dividend payments in August 2012, the Board has decided to declare an interim dividend is paid of 0.2pence per share on 29 November 2012, to shareholders on the register on 2 November 2012 (ex dividend date 31 October 2012) (HY1 2011: £nil). It is the Board's intention to adopt a dividend policy whereby the dividend increases over time in line with the Group's growth in earnings per share, subject to continued satisfactory trading and financial performance of the business.

FINANCIAL POSITION

Net assets have increased to £34.5m (28 January 2012: £34.3m).

The daily management of cash remains a focus. The underlying cash position at 28 July 2012 was £26.2m, (28 January 2012: £23.3m).

The Group continues to meet its day to day working capital requirements through surplus cash balances. Current economic conditions will create uncertainty, particularly over the level of demand for the Group's products. However, despite this uncertainty, the Board has concluded, in light of detailed cash flow projections, taking account of reasonably possible changes in trading performance, in addition to the level of cash in the business that the Group has adequate resources to continue in operational existence for the foreseeable future.

Total net inventory at £13.1m (30 July 2011: £11.6m) increased in line with sales and reflecting the stock shortages experienced last year. Residual Spring stocks have been successfully cleared.

Net cash inflow for the six months ended 28 July 2012 was £2.9m. No dividends being paid during the period (HY1 2011: £nil).

BOARD CHANGES

Simon Berwin stood down from the Board on 29 May 2012 following the sale of the H.A. Cann Settlement Accumulation and Maintenance Fund (the "Trust") shareholding. Simon Berwin served as Board representative for the Trust and also as a member of the Nomination Committee.

RELATED PARTY TRANSACTIONS

The Group had no material related party transactions other than on an arm's length basis, which might reasonably be expected to influence decisions made by other users of the condensed consolidated set of financial statements. Details of all related party transactions are disclosed in the notes to this Interim Management Report.

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the 52 weeks ended 28 January 2012, which are summarised below:

CASH AND FUNDING

With the improvement in trading and the receipt of the proceeds of the Hugo Boss and Cecil Gee disposals the Group has developed a strong balance sheet and is well placed to invest in the business without the need for bank funding.

INVENTORY AND PROPERTY

Demand forecasting, inventory ordering and inventory intake are aligned with the cash management focus discussed above. The placing of all orders is subject to diligent product demand forecasting models and ongoing rates of sale of all product lines.

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. In the current macro environment, even more stringent and enhanced financial hurdles are required to be met before any consideration is given to new stores.

STAFF HIRING AND RETENTION

The Group has a reputation of attracting some of the best talent in menswear and tries to ensure that it not only maintains this attraction but also retains this talent. There is a strong capability, passion and drive at all levels in the business to ensure that the Group will come out of the current tough economic conditions ideally placed to take full advantage of a recovery in the economy.

The Board introduced a Save As You Earn Scheme (SAYE) this year, so that all of our staff have the opportunity to benefit from continued growth of the business and more reasons to stay and develop their career with the Group.

OUTLOOK

Trading in the seven weeks to 15 September 2012 has continued to be encouraging. Like for like* sales continue to be positive, although at a lower rate than the first half, and the gross margin has seen some recovery against last year through the easing of raw material prices and direct sourcing. With the continued positive trading performance to date, the Board, although mindful of the fragile external trading environment, anticipates that the outturn for the full year will be in line with management's expectations.

Moss Bros Group PLC
8 St. John's Hill
London
SW11 1SA

By Order of the Board,

Brian Brick	Robin Piggott
Chief Executive Officer	Finance Director and Company Secretary

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS TO 28 JULY 2012

	26 weeks to 28 July 2012	26 weeks to 30 July 2011	52 weeks to 28 January 2012
	Total	Total	Total
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
CONTINUING OPERATIONS			
Revenue	**52,662**	51,833	101,151
Cost of sales	**(20,868)**	(19,408)	(40,748)
Gross profit	**31,794**	32,425	60,403
Administrative expenses	**(3,080)**	(3,429)	(6,316)
Shops' selling and marketing costs	**(26,672)**	(26,840)	(53,110)
Operating profit	**2,042**	2,156	977
Other gains and losses	**-**	-	(22)
Investment revenues	**171**	17	71
Financial costs	**(1)**	(17)	(126)
Profit on ordinary activities before taxation	**2,212**	2,156	900
Taxation	**(599)**	-	643
Profit from continuing operations after taxation	**1,613**	2,156	1,543
DISCONTINUED OPERATIONS			
Profit after tax from discontinued operations *	**-**	5,935	5,330
Profit after taxation attributable to equity holders of the parent	**1,613**	8,091	6,873
Earnings per share (pence)			
Basic – total	**1.66p**	8.56p	7.27p
Diluted – total	**1.54p**	7.96p	6.81p
Basic – continuing	**1.66p**	2.28p	1.63p
Diluted – continuing	**1.54p**	2.12p	1.53p

There are no other items of comprehensive income in either period other than the profit for the period.

*Included in profit after taxation from discontinued operations in the prior year 26 week period ended 30 July 2011 are exceptional items of £5,930,000 profit after taxation arising from the sale of Hugo Boss and Cecil Gee discontinued operations (52 week period ended 28 January 2012: £7,529,000)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS TO 28 JULY 2012

26 Weeks ended 28 July 2012 (Unaudited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Employee benefit trust £'000**	**Hedging reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 29 January 2012	4,727	8,673	1,459	(704)	-	20,175	34,330
Profit for the period	-	-	-	-	-	1,613	1,613
(Debit)/credit to equity for equity settled share based payments	-	-	(1,143)	238	-	925	20
Purchase of shares by employee benefit trust	-	-	-	(1,120)	-	-	(1,120)
Credit to equity for FX hedging	-	-	-	-	3	-	3
Issue of share capital	238	-	-	(238)	-	-	-
Dividends	-	-	-	-	-	(381)	(381)
Balance at 28 July 2012	**4,965**	**8,673**	**316**	**(1,824)**	**3**	**22,332**	**34,465**

26 Weeks ended 30 July 2011 (Unaudited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Employee benefit trust £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 30 January 2011	4,727	8,673	387	(218)	13,302	26,871
Profit for the period	-	-	-	-	8,091	8,091
Credit to equity for equity settled share based payments	-	-	547	-	-	547
Purchase of shares by employee benefit trust	-	-	-	(415)	-	(415)
Balance at 30 July 2011	4,727	8,673	934	(633)	21,393	35,094

52 Weeks ended 28 January 2012 (Audited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Employee benefit trust £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 30 January 2011	4,727	8,673	387	(218)	13,302	26,871
Profit for the year	-	-	-	-	6,873	6,873
Credit to equity for equity settled share based payments	-	-	1,072	-	-	1,072
Purchase of shares by employee benefit trust	-	-	-	(486)	-	(486)
Balance at 28 January 2012	4,727	8,673	1,459	(704)	20,175	34,330

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 JULY 2012

	28 July 2012	30 July 2011	28 January 2012
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Intangible assets	**823**	1,078	1,058
Property, plant and equipment	**12,962**	13,028	11,953
Leasehold improvements	**936**	923	923
Deferred tax assets	**938**	-	1,279
Total non-current assets	**15,659**	15,029	15,213
Inventories	**13,116**	11,640	14,085
Trade and other receivables	**4,332**	4,522	4,073
Deferred consideration on disposals	**-**	9,789	-
Cash and cash equivalents	**26,196**	15,374	23,332
Total current assets	**43,644**	41,325	41,490
Total assets	**59,303**	56,354	56,703
Liabilities			
Trade and other payables	**16,942**	14,933	14,965
Provisions	**707**	631	567
Derivative financial instruments	**19**	-	22
Current tax liability	**790**	10	390
Total current liabilities	**18,458**	15,574	15,944
Other payables	**1,897**	1,427	1,647
Provisions	**1,428**	1,394	1,684
Deferred tax liabilities	**3,055**	2,865	3,098
Total non-current liabilities	**6,380**	5,686	6,429
Total liabilities	**24,838**	21,260	22,373
Net assets	**34,465**	35,094	34,330
Equity			
Issued capital	**4,965**	4,727	4,727
Share premium account	**8,673**	8,673	8,673
Share based payments	**316**	934	1,459
Employee benefit trust	**(1,824)**	(633)	(704)
Hedging reserve	**3**	-	-
Retained earnings	**22,332**	21,393	20,175
Equity attributable to equity holders of parent	**34,465**	35,094	34,330

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 26 WEEKS TO 28 JULY 2012

	26 weeks to 28 July 2012 £'000 (Unaudited)	26 weeks to 30 July 2011 £'000 (Unaudited)	52 weeks to 28 January 2012 £'000 (Audited)
Operating activities			
Profit after taxation	**1,613**	8,091	6,873
Adjustments for:			
Taxation charge	**599**	2,065	1,532
Other gains and losses	**-**	-	22
Net finance costs	**(170)**	-	55
Amortisation of intangible assets	**340**	296	618
Depreciation of property, plant and equipment	**1,959**	1,731	4,518
Impairment of property, plant and equipment	**-**	-	-
Loss on disposal of property, plant and equipment	**6**	14	110
Profit on disposal of discontinued operations	**-**	(7,995)	(7,529)
Decrease / (increase) in inventories	**969**	(550)	(2,948)
(Increase) / decrease in receivables	**(259)**	1,385	1,930
Increase / (decrease) in payables	**1,961**	(4,558)	(4,592)
Decrease in provisions	**(116)**	(346)	(726)
Share-based payments expense	**120**	547	928
Taxation received	**-**	-	(3)
Net cash inflow from operating activities	**7,022**	680	788
Investing activities			
Interest received	**171**	17	71
Purchase of intangible assets	**(106)**	(114)	(400)
Purchase of property, plant and equipment	**(3,101)**	(1,195)	(2,648)
Proceeds on disposal of property, plant and equipment	**-**	25	89
Net proceeds on disposal of discontinued operations	**-**	9,456	19,108
Net cash (used in)/received from investing activities	**(3,036)**	8,189	16,220
Financing activities			
Interest paid	**(1)**	(17)	(126)
Dividends paid	**-**	-	-
Proceeds from the issue of shares	**238**	-	-
Subscription to employee benefit trust	**(1,359)**	(414)	(486)
Net cash used in financing activities	**(1,122)**	(431)	(612)
Cash and cash equivalents at beginning of period	**23,332**	6,936	6,936
Net increase in cash and cash equivalents	**2,864**	8,438	16,396
Cash and cash equivalents at end of period	**26,196**	15,374	23,332

NOTES TO THE CONDENSED CONSOLIDATED SET OF FINANCIAL STATEMENTS

FOR THE 26 WEEKS TO 28 JULY 2012

1. GENERAL INFORMATION

The results for the 26 weeks ended 28 July 2012 and 30 July 2011 are not audited by the Group's auditor.

The information for the 52 weeks ended 28 January 2012 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The annual financial statements of Moss Bros Group PLC are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed set of financial statements included in this half-yearly report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

GOING CONCERN

The Directors are satisfied that the Group and Company have sufficient resources to continue in operation for the foreseeable future, being a period of at least 12 months from the date of approval of this half-yearly report. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly report and financial statements.

The Directors believe the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current and anticipated cash resources.

CHANGES IN ACCOUNTING POLICY

The same accounting policies, presentation and methods of computation are followed in this half-yearly report as applied in the Group's latest annual audited financial statements for the 52 weeks ended 28 January 2012.

3. BUSINESS SEGMENTS

The majority of the Company's turnover arose in the United Kingdom, with the exception of two stores in Ireland.

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the split of Retail and Hire.

Information regarding the Group's continuing operating segments is reported below.

The following is an analysis of the Group's revenue and gross profit for the Retail and Hire business in the 26 weeks ended 28 July 2012:

Key financials **CONTINUING OPERATIONS**	**26 weeks to 28 July 2012 £'000**	26 weeks to 30 July 2011 £'000	52 weeks to 28 January 2012 £'000
Revenue			
Retail	**43,101**	40,855	84,109
Hire	**9,561**	10,978	17,042
Total revenue	**52,662**	51,833	101,151
Gross profit			
Retail	**23,243**	22,940	45,933
Hire	**8,551**	9,485	14,470
Total gross profit	**31,794**	32,425	60,403
Administrative expenses	**(3,080)**	(3,429)	(6,316)
Shops' selling and marketing costs	**(26,672)**	(26,840)	(53,110)
Operating profit	**2,042**	2,156	977
Other gains and losses	**-**	-	(22)
Investment revenues	**171**	17	71
Financial costs	**(1)**	(17)	(126)
Profit before taxation	**2,212**	2,156	900

Only revenue and gross profit have been reported for the Group's business segments; Retail and Hire, as the main operating costs, being property, related overheads and staff, cannot be separately identifiable as they both use the same stores and hence operating profit is not reported to the Chief Executive Officer by Retail and Hire. Revenue and gross profit are the measures reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segmental performance.

On the same basis, assets cannot be allocated between Retail and Hire, and are not reported to the Chief Executive Officer seperately.

4. TAX

Tax on continuing operations for the 26 week period is charged at 27.1% (30 July 2011: 0%; 28 January 2012: 71.4%), representing the expected average annual effective tax rate for the full year, applied to the pre-tax income of the 26 week period.

5. EARNINGS PER SHARE

Basic earnings per ordinary share is based on the weighted average of 97,313,791 (30 July 2011: 94,530,752; 28 January 2012: 94,530,752) ordinary shares in issue during the period and are calculated by reference to the profit attributable to shareholders of £1,613,000 (30 July 2011: £8,091,000; 28 January 2012: £6,873,000).

Diluted earnings per ordinary share is based upon the weighted average of 104,795,614 (30 July 2011: 101,665,061; 28 January 2012: 100,975,161) ordinary shares, which will include the effects of share options and shares under the LTIP of 7,481,822 (30 July 2011: 6,493,100; 28 January 2012: 6,444,409), that were anti-dilutive for the period presented and could dilute earnings per share in the future and are calculated by reference to the profit attributable to shareholders as stated above.

Basic earnings per share	**26 weeks to 28 July 2012 pence**	26 weeks to 30 July 2011 pence	52 weeks to 28 January 2012 pence
Total (continuing and discontinued operations)	**1.66**	8.56	7.27
Discontinued operations	-	(6.28)	(5.64)
Continuing operations basic earnings per share	**1.66**	2.28	1.63

Diluted earnings per share	**26 weeks to 28 July 2012 Pence**	26 weeks to 30 July 2011 pence	52 weeks to 28 January 2012 pence
Total (continuing and discontinued operations)	**1.54**	7.96	6.81
Discontinued operations	-	(5.84)	(5.28)
Continuing operations basic earnings per share	**1.54**	2.12	1.53

6. DIVIDENDS

The Directors have declared an interim dividend of 0.2 pence per share (HY1 2011: £nil) payable on 29 November 2012 to shareholders on the register on 2 November 2012 (ex dividend date 31 October 2012).

7. RELATED PARTY TRANSACTIONS

The Group had no material related party transactions other than on an arm's length basis, which might reasonably be expected to influence decisions made by other users of the condensed set of financial statements.

TRADING TRANSACTIONS

During the period, the Group entered into the following transactions with related parties who are not members of the Group:

During the current period, the Group purchased £3,958,000 (30 July 2011: £4,428,000; 28 January 2012: £7,174,000) of inventory from Berwin & Berwin Limited. Berwin & Berwin Limited; a key supplier, was considered a related party of the Group during the part of the period because a Non-Executive Director of Moss Bros Group PLC, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited.

Simon Berwin stood down from the Board of Moss Bros Group PLC on 29 May 2012; therefore Berwin & Berwin Limited is no longer a related party from this date. During the period whilst Berwin & Berwin Limited was considered a related party, being 29 January 2012 to 29 May 2012, the Group purchased £2,798,000 of inventory from them. £559,000 was payable to Berwin & Berwin Limited as at 28 July 2012 (30 July 2011: £594,000; 28 January 2012: £455,000).

During the 52 week period to 28 January 2012, the Group purchased £9,000 (26 week period 30 July 2011: £6,000) of inventory from Baumler AG. The Group made no purchases in the period 26 week period to 28 July 2012. Baumler AG is considered a related party of the Group because on 2 December 2009, Berwin & Berwin Limited acquired Baumler AG under a joint venture. Baumler AG is no longer a related party from 29 May 2012, when Simon Berwin stood down from the Board of Moss Bros Group PLC. There was no outstanding liability with Baumler at 28 July 2012 (30 July 2011: £nil; 28 January 2012: £nil).

During the prior 52 week period to 28 January 2012, the Group was invoiced £251,000 from Hawkpoint Partners Limited, being £216,000 for professional fees in relation to the disposal of the Hugo Boss franchise agreement and £35,000 for other advisory professional fees (26 week period 30 July 2011: £216,000). The Group made no transactions in the 26 week period to 28 July 2012. Hawkpoint Partners Limited was considered a related party of the Group because the Chairman of Moss Bros Group PLC, Debbie Hewitt's husband was a Non-Executive Director of Collins Stewart plc, who is the parent company of Hawkpoint Partners Limited. Debbie Hewitt's husband stood down from the Board of Collins Stewart plc on 22 March 2012; therefore Hawkpoint Partners Limited is no longer a related party from this date.

During the prior 52 week period to 28 January 2012, the Group purchased £4,000 (26 week period 30 July 2011: £nil) of inventory from Oliver Sweeney Trading Limited. The Group made no purchases in the 26 week period to 28 July 2012. Oliver Sweeney Trading Limited is considered a related party of the Group because a Non-Executive Director of Moss Bros Group PLC, Maurice Heffgott, is the Chairman of Oliver Sweeney Trading Limited.

Purchases of goods and services from related parties were made on an arm's length basis, consistent with the previous terms.

On 22 December 2010, Moss Bros Group PLC entered into a short term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow. Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick, Chief Executive Officer of Moss Bros Group PLC, is a beneficiary of the pension fund. On 8 December 2011, the Group agreed a long term lease on an arm's length basis.

On 21 November 2011, Moss Bros Group PLC entered into a long term lease with Capewalk Limited, the landlord, for a store in Aylesbury. Capewalk Limited was considered a related party of the Group because Brian Brick, Chief Executive Officer of Moss Bros Group PLC, is a Director of Capewalk Limited. The long term lease is on an arm's length basis. As at 28 July 2012 Capewalk Limited no longer holds the lease for Aylesbury, therefore is no longer a related party interest.

8. EXCEPTIONAL ITEMS

	26 weeks to 28 July 2012 £'000	26 weeks to 30 July 2011 £'000	52 weeks to 28 January 2012 £'000
CONTINUING OPERATIONS	**-**	-	-
	-	-	-
DISCONTINUED OPERATIONS			
Other gains and losses			
Profit on disposal of discontinued operations	**-**	7,995	7,529
Taxation charge on discontinued operations	**-**	(2,065)	(2,175)
	-	5,930	5,354
TOTAL EXCEPTIONAL ITEMS	**-**	7,995	7,529
Taxation charge on exceptional items	**-**	(2,065)	(2,175)

9. DISCONTINUED OPERATIONS

Hugo Boss

In the prior year Moss Bros Group PLC disposed of the Hugo Boss Franchised Business to Hugo Boss UK Limited, for a cash consideration of £18,209,000, fully paid by 28 January 2012. The transfer of the business to Hugo Boss UK Limited took place on 31 March 2011.

A profit before taxation of £8,246,000 arose on the disposal of the Hugo Boss Franchise Business, being the proceeds £18,209,000 less the carrying amount of the net assets attributable £9,366,000 and £597,000 associated legal and professional fees and other expenses.

Cecil Gee

In the prior year Moss Bros Group PLC disposed of eight Cecil Gee stores to JD Sports Fashion plc, for a cash consideration of £1,614,000, fully paid by 28 January 2012. The transfer of all 8 stores to JD Sports Fashion plc took place on 18 June 2011.

A loss before taxation of £717,000 arose on the disposal of the Cecil Gee business, being the proceeds £1,614,000 less the carrying amount of the net assets attributable £2,212,000 and £119,000 associated legal and professional fees and other expenses.

The proceeds from the disposals provided the Company with funding to eliminate all debt and invest in the core business.

The results of the discontinued operations of the Hugo Boss Franchise Business and Cecil Gee Business, which have been included in the condensed consolidated statement of comprehensive income, were as follows:

	26 weeks to 28 July 2012			26 weeks To 30 July 2011			52 weeks to 28 January 2012		
	£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
UNDERLYING	**Hugo Boss**	**Cecil Gee**	**Total**	Hugo Boss	Cecil Gee	Total	Hugo Boss	Cecil Gee	Total
Revenue	-	-	-	4,283	3,240	7,523	4,283	3,241	7,524
Cost of sales	-	-	-	(2,011)	(1,752)	(3,763)	(2,009)	(1,751)	(3,760)
Gross profit				2,272	1,488	3,760	2,274	1,490	3,764
Shops' selling and marketing costs	-	-	-	(2,083)	(1,672)	(3,755)	(2,087)	(1,701)	(3,788)
Operating profit / (loss)	-	-	-	189	(184)	5	187	(211)	(24)
Investment revenues	-	-	-	-	-	-	-	-	-
Financial costs	-	-	-	-	-	-	-	-	-
Profit / (loss) before taxation	-	-	-	189	(184)	5	187	(211)	(24)
Taxation on underlying	-	-	-	-	-	-	-	-	-
Underlying profit / (loss) after taxation	-	-	-	189	(184)	5	187	(211)	(24)
EXCEPTIONALS									
Profit on disposal of discontinued operations	-	-	-	8,373	(378)	7,995	8,246	(717)	7,529
Taxation on profit on disposal of discontinued operations	-	-	-	(2,065)	-	(2,065)	(1,946)	(229)	(2,175)
Exceptionals profit / (loss) after taxation	-	-	-	6,308	(378)	5,930	6,300	(946)	5,354
TOTAL PROFIT / (LOSS) AFTER TAXATION	-	-	-	6,497	(562)	5,935	6,487	(1,157)	5,330

10. SHARE BASED PAYMENTS

In 2009/10 a new equity settled Long Term Incentive Plan (LTIP) was approved by shareholders. During the period to 28 July 2012, under the same 2009/10 LTIP scheme, 1,526,216 and 156,882 shares were awarded to senior employees on 5 April 2012 and 8 May 2012 respectively. In accordance with this plan, the shares are exercisable at nil cost, subject to the satisfaction of performance conditions and the requirement for the continued employment during the vesting period. The fair value is measured at grant date using the Black Scholes pricing model and recognised over the vesting period. These grants are accounted for in accordance with IFRS 2 'Share-based Payments'.

During the period to 28 July 2012, a new Save As You Earn (SAYE) scheme was approved by shareholders and open to all employees to benefit from the continued growth of the business.

The amount recorded in the income statement in respect to IFRS2 charge in the period to 28 July 2012 was £120,000 (30 July 2011: £547,000; 28 January 2012: £928,000).

A deferred tax adjustment was recorded in the share-based payment reserve of £100,000 debit in the period to 28 July 2012 (30 July 2011: £nil; 28 January 2012: £144,000 credit).

In the 26 weeks to 28 July 2012, the charge significantly decreased to reflect the grants which vested during the 52 week period ended 28 January 2012. An adjustment was recorded in the share-based payment reserve of £1,163,000 to reclassify to retained earnings, relating to the accumulative IFRS2 charge on the LTIP shares exercised in the period to 28 July 2012.

The Group used inputs as previously published to measure the fair value of the share options.

11. HALF-YEARLY REPORT

This half-yearly report is available on application from the Company Secretary, Moss Bros Group PLC, 8 St. John's Hill, London SW11 1SA (and on the Company's website www.moss.co.uk).

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a: the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

b: the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c: the interim management report includes a fair review of the information required by the DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The directors are responsible for 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 the financial statements may differ from legislation in other jurisdictions.

By Order of the Board,

Chief Executive Officer	Finance Director and Company Secretary
Brian Brick	Robin Piggott
20 September 2012	20 September 2012