

MOSS BROS GROUP PLC

HALF YEARLY FINANCIAL REPORT

For the six months to 31 July 2010

Moss Bros Group plc ("the Group"), the UK's No 1 Branded Suit Specialist, is today publishing its Half Yearly Financial Report, covering the period from 31 January 2010 to 31 July 2010.

The Group's trading performance remains in line with the Board's expectations and is on course to deliver the anticipated levels of growth.

HEADLINES

Financial

- Total Group revenue excluding VAT £65.6m (2009: £60.8m) up 7.9%
- Like for like* sales up 11.6%
- EBITDA before exceptional items of £0.1m, (2009: £0.6m)
- Pre-tax loss of £3.3m, (2009: £3.0m), in line with expectations
- Total gross margin 55.5%, only down 0.5 percentage points compared with prior period, inspite of the increase in VAT from 15% to 17.5%
- Total net stock at £17.1m (2009: £15.1m) increased in line with sales. Residual Spring stocks have been successfully cleared
- Cash balance of £4.5m (2009: £5.0m), in line with expectations. Net cash outflow of £1.7m for the first six months was £1.4m better than 2009

Current Trading

- Trading has been encouraging. Like for like sales in the first eight weeks of the second half of 2010 have continued to improve on 2009 and gross margin is slightly higher

Operational

- Appointment of the Group Finance Director successfully concludes the resourcing of the new Executive management team
- Fundamental review of how best to leverage the potential of all the brands across the Group's fascias is underway
- The new Moss Bespoke concept creates an opportunity to take the core Moss brand into new segments and a more premium position
- Planning phase initiated to modernise the look and feel of the core Moss stores
- West End Association 'Glammy' award for best Menswear store in Oxford Street
- With the recovery in sales established, a comprehensive review of the cost base of the Group is now underway, to simplify the business

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

“Whilst the economy has not materially picked up, the Group’s sales in the first six months traded well ahead of last year and this trend has continued into the second half. In addition, we have made good progress on our strategic priorities of continuing to improve the calibre of store management, improving operational processes, reviewing the look and product mix of the core Moss stores and testing our innovative Moss Bespoke concept. Having made good progress on driving top line growth we are now turning our attention to costs and a comprehensive review of the cost base of the business is underway. This will help simplify the business operating model and provide resilience against potential impact of any reduction in consumer spending.

Whilst the early response to the Autumn/Winter range is positive, with like for like sales continuing to improve, we remain in a period with tough economic conditions and consumer uncertainty and with this in mind we are managing the business to reflect these conditions, ensuring we continue the momentum of the turnaround. We remain on track to meet the Board’s expectations for the full year.”

*Like for like represents sales including VAT for stores open throughout the current and prior financial periods and compares 26 weeks against 26 weeks.

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INTERIM MANAGEMENT REPORT 2010

FOR THE SIX MONTHS TO 31 JULY 2010

To the members 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. The IMR should not be relied on by any other party or for any other purpose.

The 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 Interim Management Report 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 also trades through the Savoy Tailors Guild and Cecil Gee fascias as well as operating 17 Hugo Boss retail franchises.

REVIEW OF THE FIRST HALF

The Group’s vision is to be the UK’s No.1 Suit specialist for hire, buy and bespoke.

During the first six months of this financial year, the Group made good progress with the key strategic priorities of improving the operational processes of the core business, building a more contemporary store offering and developing new innovative products and new routes to market. Progress was underpinned by strengthening both the executive and store management teams to bring momentum and rigour in to the business. It was particularly pleasing to be awarded the West End Association ‘Glammy’ award for best Menswear store in London’s Oxford Street.

In improving the core operational processes, the team has continued to make progress in streamlining store stock profiles, improving stock control, enhancing management capability and overhauling the hire process. This has resulted in a strong like for like * sales performance during the first half with revenue up 11.6% compared to the corresponding period last year. Gross margins were only slightly below last year’s levels (down 0.5%) despite the increase in VAT (15% to 17.5%) compared with the prior period in 2009. Having made good progress on establishing top line growth, we have launched a fundamental review of the business operating model which will help to simplify the business and reduce the cost base and as such, will provide resilience against the

potential impact of any reduction in consumer spending as a result of the wider macro economic environment.

As well as improving product offering, the team has initiated the planning phase of a project to modernise the look and feel of the core Moss stores. There will be extensive piloting of these ideas, to ensure the final offering can be adapted to meet the various store profiles which exist across the Group. Any wider implementation programme will be prioritised and phased to reflect the Group's cash position and the performance of the wider economy. In addition to this programme for the core business, a review has started to identify the best way to leverage the potential of all the brands across the Group's fascias. The outcome of this review is anticipated by the year end.

In developing innovative products and routes to market, the launch of Moss Bespoke has allowed us to lead the market in providing a high quality and good value bespoke suit experience. The pilot branch in the City of London launched in May and the feedback on the quality of the merchandise and service has been excellent. The team is now considering the most effective way to roll out this concept and exploring a number of different routes to market, including concessions in core Moss stores and franchising opportunities with other mainstream retailers.

FINANCIAL SUMMARY

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

Key financials	26 weeks to 31 July 2010 £'000 (Unaudited)	26 weeks to 1 August 2009 £'000 (Unaudited)	52 weeks to 30 January 2010 £'000 (Audited)
Revenue			
Retail (1)	56,274	52,120	114,550
Hire	9,319	8,662	14,187
Total revenue	65,593	60,782	128,737
Gross profit			
Retail (1)	29,592	27,622	61,098
Hire	6,798	6,387	9,892
Total gross profit	36,390	34,009	70,990
Administrative expenses (2)	(2,885)	(2,511)	(5,314)
Shops' selling and marketing costs (2)	(36,849)	(34,495)	(72,331)
Operating loss	(3,344)	(2,997)	(6,655)
Investment revenues	1	17	24
Financial costs	(3)	(15)	(24)
Loss before taxation	(3,346)	(2,995)	(6,655)
EBITDA (3)	126	643	3,187

(1) Mainstream and fashion fascias are both components of retail

(2) Administrative expenses and shops' selling and marketing costs are not analysed between retail and hire

(3) EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items

REVENUE

Total revenue excluding VAT has increased by 7.9% in the six months to 31 July 2010 compared with the comparative period in 2009.

Like for like * retail sales across all fascias performed well with mainstream fascias increasing by 13.5% and fashion 10.1%. Moss Bros Hire maintains its position as the leading brand name in formal hire and recorded a like for like * sales increase of 8.9%. Overall like for like * sales across all fascias were up 11.6% in the first half.

*Like for like represents sales including VAT for stores open throughout the current and prior financial periods and compares 26 weeks against 26 weeks.

GROSS MARGIN AND UNDERLYING OPERATING LOSS

Gross margin only decreased by 0.5% in the first six months. This was despite considerable promotional pressure from our competitors and the increase in VAT (17.5% from 15%).

The operating loss was £3.3m, £0.3m higher than the comparative period in 2009. This was due to a number of reasons:

Non-recurring costs were incurred in the first half including two major store refits during which the stores were closed for a period, incurring a loss of £0.5m. Both of these stores are now achieving significantly improved performance. In addition one off costs of £0.4m were incurred in severance and reorganisation costs. Turnover related rents and the strengthening of the senior management team have led to increases in costs of £0.4m. The LTIP introduced in November 2009 gave rise to a charge of £0.2m in the first half.

As already stated, a fundamental review of the business operating model is now underway which will help to simplify the business and reduce the cost base.

Despite continued uncertainty within the UK economy, the Board believes the Group is well placed and on track to achieve its objectives for the full year.

DIVIDEND AND DIVIDEND POLICY

The Board, in line with its policy, is recommending that no interim dividend is paid (1 August 2009: £nil) in order to conserve cash and maintain a strong balance sheet.

FINANCIAL POSITION

Net assets have decreased by 9.4% to £30.6m (30 January 2010: £33.7m).

The daily management of cash remains a focus. The underlying cash position at 31 July 2010 was £4.5m, £0.5m lower than at the same time in 2009 (30 January 2010: £6.3m) in line with the Board's expectations.

The Group continues to meet its day to day working capital requirements through surplus cash balances and when needed through a £5m committed loan facility which is due to for renewal at the end of May 2011. Current economic conditions will create uncertainty, particularly over the level of demand for the Group's products and the availability of bank financing in the foreseeable future. However, despite this uncertainty, the Board has concluded, in light of detailed cash flow

projections, in addition to the level of cash in the business and available debt facility that the Group has adequate resources to continue in operational existence for the foreseeable future.

Total net stock at £17.1m (2009: £15.1m) increased in line with sales; residual Spring stocks have been successfully cleared.

CASH FLOW

Net cash outflow for the six months ended 31 July 2010 was £1.7m, £1.3m better than the comparative period in 2009. Higher operating losses for the Group were partially offset by improved working capital management and no dividends being paid in the period.

BOARD CHANGES

Robin Piggott was appointed as Finance Director with effect from 28 June 2010, replacing Michael Hitchcock who left the Group on 30 April 2010. Debbie Hewitt was appointed Chairman on a permanent basis with effect from 27 April 2010, having been Acting Chairman from 25 March 2010 when David Adams left the Group.

The Board is planning to appoint an additional Independent Non-Executive Director, which will ensure the Group complies with the Combined Code and expects to make an announcement shortly.

RELATED PARTY TRANSACTIONS

Berwin & Berwin Limited, a key supplier, is considered a related party of the Group because a Non Executive Director of Moss Bros Group plc, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. All transactions have been carried out at arm's length as disclosed in note 9 to the condensed set of interim financial statements.

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 year ended 31 January 2010, which are summarised below:

CASH AND FUNDING

Cash and funding remain the key risk in the current uncertain macro economic climate. However the Group has a 12 month committed £5.0m loan facility to 31 May 2011, replacing the previous uncommitted £5.0m overdraft facility. Management has been successful at ensuring that maximum cash is available for the business at any one time. Cash balances are managed and monitored on a daily basis; the peaks and troughs in the cash cycle are well known through experience and appropriate cash management is in place to limit the use of the existing banking facilities.

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. Autumn/Winter product has been phased to arrive earlier compared with the prior year and this is underpinning continued positive like for like * sales growth.

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.

OUTLOOK

Trading in the first eight weeks of the second half has been encouraging, with both mainstream and fashion showing like for like * sales growth, and achieving gross margins ahead of the prior year.

The positive impact of new management initiatives, coupled with other operational changes across the business planned for the second half, lead the Board to believe the Group will meet its expectations for the full year on the basis of the economy remaining broadly in line with the current situation and not materially worsening.

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

By order of the Board,

Chief Executive Officer

Brian Brick

Finance Director

Robin Piggott

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS TO 31 JULY 2010

	26 weeks to 31 July 2010 ** £'000 (Unaudited)	26 weeks to 1 August 2009 ** £'000 (Unaudited)	52 weeks Underlying £'000 (Audited)	to 30 January Exceptional items £'000 (Audited)	2010 Total £'000 (Audited)
Revenue	65,593	60,782	128,737	-	128,737
Cost of sales	(29,203)	(26,773)	(57,747)	-	(57,747)
Gross profit	36,390	34,009	70,990	-	70,990
Administrative expenses	(2,885)	(2,511)	(5,136)	(178)	(5,314)
Shops' selling and marketing costs	(36,849)	(34,495)	(69,778)	(2,553)	(72,331)
Operating loss	(3,344)	(2,997)	(3,924)	(2,731)	(6,655)
Investment revenues	1	17	24	-	24
Financial costs	(3)	(15)	(24)	-	(24)
Loss before taxation	(3,346)	(2,995)	(3,924)	(2,731)	(6,655)
Taxation	-	574	749	134	883
Loss after taxation attributable to equity holders of the parent	(3,346)	(2,421)	(3,175)	(2,597)	(5,772)
Basic loss per share	(3.54)p	(2.56)p			(6.11)p
Diluted loss per share	(3.54)p	(2.56)p			(6.11)p

All revenues and profits relate to the continuing operations of the Group.

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

**In the current six months to 31 July 2010 and the prior year six months to 1 August 2009, there were no exceptional items.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS TO 31 JULY 2010

26 Weeks ended 31 July 2010 (Unaudited)

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 31 January 2010	4,727	8,673	20,323	33,723
Loss for the period	-	-	(3,346)	(3,346)
Credit to equity for share based payments	-	-	191	191
Balance at 31 July 2010	4,727	8,673	17,168	30,568

26 Weeks ended 1 August 2009 (Unaudited)

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 February 2009	4,727	8,673	25,985	39,385
Loss for the period	-	-	(2,421)	(2,421)
Balance at 1 August 2009	4,727	8,673	23,564	36,964

52 Weeks ended 30 January 2010 (Audited)

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 February 2009	4,727	8,673	25,985	39,385
Loss for the year	-	-	(5,772)	(5,772)
Credit to equity for share based payments	-	-	110	110
Balance at 30 January 2010	4,727	8,673	20,323	33,723

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE SIX MONTHS TO 31 JULY 2010

	As at 31 July 2010 £'000 (Unaudited)	As at 1 August 2009 £'000 (Unaudited)	As at 30 January 2010 £'000 (Audited)
Assets			
Intangible assets	1,459	1,537	1,609
Property, plant and equipment	20,137	25,417	21,810
Lease improvements	2,776	2,529	1,700
Total non-current assets	24,372	29,483	25,119
Inventories	17,098	15,105	16,925
Trade and other receivables	5,250	4,855	5,782
Current tax asset	-	150	-
Cash and cash equivalents	4,536	5,023	6,279
Total current assets	26,884	25,133	28,986
Total assets	51,256	54,616	54,105
Liabilities			
Trade and other payables	15,115	12,275	15,124
Current tax liability	21	-	22
Provisions	-	2	-
Total current liabilities	15,136	12,277	15,146
Other payables	2,895	2,295	2,579
Deferred tax liabilities	2,657	3,080	2,657
Total non-current liabilities	5,552	5,375	5,236
Total liabilities	20,688	17,652	20,382
Net assets	30,568	36,964	33,723
Equity			
Issued capital	4,727	4,727	4,727
Share premium account	8,673	8,673	8,673
Retained earnings	17,168	23,564	20,323
Equity attributable to equity holders of parent	30,568	36,964	33,723

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS TO 31 JULY 2010

	26 weeks to 31 July 2010 £'000 (Unaudited)	26 weeks to 1 August 2009 £'000 (Unaudited)	52 weeks to 30 January 2010 £'000 (Audited)
Cash flows from operating activities			
Loss before taxation	(3,346)	(2,995)	(6,655)
Adjustment for:			
Net finance cost / (income)	2	(2)	-
Amortisation of intangible assets	334	319	647
Depreciation of property, plant and equipment	3,136	3,321	6,464
Impairment of property, plant and equipment	-	-	2,251
Loss on disposal of property, plant and equipment	4	10	35
(Increase) / decrease in inventories	(173)	289	(1,531)
Decrease in receivables	532	1,556	629
Increase / (decrease) in payables	306	(3,924)	(722)
Share based payments charge	191	-	110
Net cash from operating activities	986	(1,426)	1,228
Cash flows from investing activities			
Net finance (costs) / income	(2)	2	-
Purchase of intangible assets	(184)	(185)	(407)
Purchase of property, plant and equipment	(2,545)	(1,885)	(3,082)
Proceeds on disposal of property, plant and equipment	2	410	433
Net cash used in investing activities	(2,729)	(1,658)	(3,056)
Cash flows from financing activities			
Dividends paid	-	-	-
Proceeds from the issue of share capital	-	-	-
Net cash from financing activities	-	-	-
Cash and cash equivalents at beginning of period / year	6,279	8,107	8,107
Net decrease in cash and cash equivalents	(1,743)	(3,084)	(1,828)
Cash and cash equivalents at end of period	4,536	5,023	6,279

NOTES TO THE CONDENSED CONSOLIDATED SET OF FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO 31 JULY 2010

1. GENERAL INFORMATION

The information for the year ended 30 January 2010 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 auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The results for the six months ended 31 July 2010 and 1 August 2009 are neither audited nor reviewed by the Group's auditors.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The annual financial statements of Moss Bros Group plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial 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, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed 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 committed facilities.

CHANGES IN ACCOUNTING POLICY

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements for the year ended 30 January 2010.

3. BUSINESS SEGMENTS

The Company's turnover arose in the United Kingdom, with the exception of one store in Ireland.

IFRS 8 required 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.

The following is an analysis of the Group's revenue and gross profit for the retail and hire business in the six months ended 31 July 2010:

Key financials	26 weeks to 31 July 2010 £'000	26 weeks to 1 August 2009 £'000	52 weeks to 30 January 2010 £'000
Revenue			
Retail	56,274	52,120	114,550
Hire	9,319	8,662	14,187
Total revenue	65,593	60,782	128,737
Gross profit			
Retail	29,592	27,622	61,098
Hire	6,798	6,387	9,892
Total gross profit	36,390	34,009	70,990
Administrative expenses	(2,885)	(2,511)	(5,314)
Shops' selling and marketing costs	(36,849)	(34,495)	(72,331)
Operating loss	(3,344)	(2,997)	(6,655)
Investment revenues	1	17	24
Financial costs	(3)	(15)	(24)
Loss before taxation	(3,346)	(2,995)	(6,655)

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 by retail and hire. Revenue and gross profit are the measures reported to the Chief Executive 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.

4. SEASONALITY OF SALES

The Group's operations have historically experienced higher revenue during the second half of the financial year, with approximately 54% of annual sales occurring from August to January. This is primarily due to the Christmas period and post Christmas sale. Accordingly, the results of operations for the interim are not indicative of the results which may be expected for the entire financial year.

5. TAX

Tax for the six month period is charged at 0.0% (six months ended 1 August 2009: 19.2%; year ended 30 January 2010: 28.0%), representing the expected of the average annual effective tax rate for the full year, applied to the pre-tax income of the six month period.

6. EARNINGS PER SHARE

Basic loss per ordinary share is based on the weighted average of 94,530,752 (1 August 2009: 94,530,752; 30 January 2010: 94,530,752) ordinary shares in issue during the period and is

calculated by reference to the loss attributable to shareholders of £3,346,000 (1 August 2009: loss £2,421,000; 30 January 2010: loss £5,772,000).

Diluted loss per ordinary share is based upon the weighted average of 94,530,752 (1 August 2009: 94,530,752; 30 January 2010: 94,530,752) ordinary shares which excludes the effects of share options and shares under the LTIP 9,623,497 (1 August 2009: 5,347,082; 30 January 2010: 6,393,020) that were anti-dilutive for the periods presented but could dilute earnings per share in the future and are calculated by reference to the loss attributable to shareholders as stated above. In the current and prior period the weighted average number of ordinary shares was not diluted, as per IAS 33 'Earnings per Share', as this would decrease the basic loss per share.

7. BANK OVERDRAFTS AND LOANS

On 1 June 2010, the Group secured a £5.0m committed loan facility for the following 12 month period to 31 May 2011, to replace the existing £5.0m uncommitted overdraft facility.

8. DIVIDENDS

The Directors have not declared an interim or final dividend in the current half year or the prior year.

9. 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 these financial statements.

TRADING TRANSACTIONS

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

Berwin & Berwin Limited	26 weeks to 31 July 2010 £'000	26 weeks to 1 August 2009 £'000	52 weeks to 30 January 2010 £'000
Total inventory purchases (excluding VAT)	3,188	3,379	6,816
Inventory purchases since appointment of Simon Berwin as a Director (excluding VAT)	3,188	1,201	4,715

Berwin & Berwin Limited; a key supplier, is considered a related party of the Group because a Non Executive Director (appointed 29 May 2009) of Moss Bros Group plc, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. While similar transactions were entered into in the prior period, they were not wholly considered related party transactions, as the related party relationship did not exist throughout that period. At 31 July 2010 the balance owed to Berwin & Berwin Limited was £339,000.

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

On 13 September 2009 an agreement was made with Berwin Retail Limited, to supply hire to Berwin Retail Limited to be sold through their House of Fraser concessions. Berwin Retail Limited is considered a related party of the Group because Simon Berwin is a Non Executive Director of Moss Bros Group plc, and is also the Managing Director and a significant shareholder of Berwin Retail Limited. The gross transactional value of hire of Moss inventory in Berwin & Berwin outlets was £154,000, (1 August 2009: £nil; 30 January 2010: £82,000). The total commission paid to Berwin Retail Limited was £80,000, (1 August 2009: £nil; 30 January 2010: £45,000).

10. EXCEPTIONAL ITEMS

	26 weeks to 31 July 2010 £'000	26 weeks to 1 August 2009 £'000	52 weeks to 30 January 2010 £'000
Restructuring costs	-	-	178
Impairment charge	-	-	2,251
Other	-	-	302
	-	-	2,731

11. SHARE BASED PAYMENTS

On 7 November 2009 a new Long Term Incentive Plan (LTIP) was approved and 6,681,160 shares were awarded to Directors and senior employees. With effect from 30 April 2010; 404,083 shares lapsed following the resignation of a Director. On 23 April 2010; 497,660 shares were also awarded to senior employees.

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 at grant is being expensed over the vesting period. The charge in the period to 31 July 2010 was £191,000 (1 August 2009: £nil; 30 January 2010: £110,000).

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

12. HALF-YEARLY FINANCIAL REPORT

This half-yearly financial 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.mossbros.co.uk).

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).

By order of the Board,

Chief Executive Officer

Brian Brick

28 September 2010

Finance Director

Robin Piggott

28 September 2010