MOSS BROS GROUP PLC
HALF YEARLY FINANCIAL REPORT
FOR THE 26 WEEKS TO 27 JULY 2013

Moss Bros Group PLC ("the Group"), the 'UK'S No I Men's Formalwear Specialist' today announces its Half Yearly Financial Results, covering the 26 week period from 27 January 2013 to 27 July 2013.

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

- Total sales for the continuing business were 1.2% up on last year.
- Group like for like* sales were level to the previous year.
    - Like for like* retail sales up 1.7%, including e-commerce sales up 164%. This has accelerated from the 138% growth reported in our AGM statement for the first 18 weeks of the year.
    - Like for like* hire sales 7.2% lower, as anticipated.
- Continuing operations pre-tax profit level at £2.2m, (HY1 2012: £2.2m), operating profit up 5.4% to £2.2m.
- EBITDA** improved to £4.4m (HY1 2012: £4.3m).
- Gross margin from continuing operations was 0.7 % lower at 59.7% (HY1 2012: 60.4%). Retail gross margin was up 0.4 % reflecting the benefits of direct sourcing.
- Positive cash balance of £29.7m (28 July 2012: £26.2m) reflecting strong cash management.
- Interim dividend increased 50% to 0.3 pence per share (28 July 2012: 0.2 pence per share), reflecting the Board's confidence of further progress.

Operational

- On-line capability continues to grow strongly, with e-commerce sales up by 164% on the previous year. The new Retail website which went live in January 2013 has seen significant increases in customer traffic flow and conversion rates from launch. A transactional Hire website is planned to go live in November 2013.
- The refit programme to modernise the Moss Bros store portfolio remains on track and a further four stores were refitted in the first half. Refitted stores continue to trade in line with our 3 year payback target. A further ten stores are planned to be refitted in the second half of the year; one new store opened in the first half and two loss making stores closed.
- Comprehensive customer insight research project recently completed. The results highlight the strength and popularity of the Moss Bros brand and the opportunity to raise its profile within its target markets. - Early decision made to revert to Moss Bros as the master brand in place of Moss.

Current trading and outlook

- Trading in the eight weeks to 21 September 2013 has been encouraging. Like for like* sales are up 4.9%. Trading improved as weather returned to seasonal norms. The Board, although mindful of the fragile external trading environment, anticipates that the outturn for the full year will be in line with market expectations.

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

“These results reflect another period of good progress for the Company. Trading improved during the period as the abnormally cold and wet weather in February and March was replaced by more seasonal conditions. Hire, as anticipated, had a difficult first half but we expect an improvement in the second half of the year as we move out of the wedding season into eveningwear, where we are already seeing good growth on the previous year.

We continue to make good progress in the delivery of our strategic priorities. The modernisation of the store portfolio is achieving the anticipated returns and our plans for e-commerce are on track. The decision to return to the heritage brand of Moss Bros was supported by strong feedback from our customer insight programme. This research is helping us to prioritise how best to leverage the resonance the brand has with current and potential customers of all age groups.

The early response to the Autumn/Winter range is positive, with like for like* sales continuing to improve year on year and gross margins showing an improving trend against the prior year, as we move out of the summer clearance activity.

The Group’s trading performance continues positively, in line with the Board’s expectations.”

For further information please contact:

Moss Bros Group PLC:	**0207 447 7200**
Brian Brick, Chief Executive Officer	
Robin Piggott, Finance Director	
Buchanan:	**0207 466 5000**
Charles Ryland/Sophie McNulty/Gabriella Clinkard	

**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.*

INTERIM MANAGEMENT REPORT
FOR THE 26 WEEKS TO 27 JULY 2013

To the shareholders of Moss Bros Group PLC

OVERVIEW

Moss Bros Group PLC retails and hires formal wear and fashion products for men, predominantly in the UK. The Group retails menswear through the Moss Bros fascia and hires formal wear under the Moss Bros Hire brand through its mainstream stores. The Group also trades through the premium Savoy Taylors Guild fascia, where there is a historical link in areas such as the Strand in London.The Group's vision is to be the UK's No.1 men's formal wear specialist for hire, retail and bespoke.

REVIEW OF THE FIRST HALF

The profit before tax from continuing operations for the first half was £2.2m (HY1 2012: £2.2m). The operating profit from continuing operations in the six months to 27 July 2013 was up 5% at £2.2m, compared with £2.0m for the comparative period in 2012.

The business performed as expected in the first half with the increase in retail gross profit offsetting the shortfall in hire. As reported in the Preliminary Results in March 2013, hire bookings for the 2013 wedding season are behind last year's levels, although Royal Ascot and Proms recorded further growth and the average price achieved on hire improved as a result of the introduction of new product lines, such as the Ted Baker morning suit. The impact of reduced hire bookings will reduce in the second half as we move out of the wedding season into the eveningwear season.

Trading performance

Total revenue excluding VAT from continuing operations increased by 1.2% in the six months to 27 July 2013 compared with the comparative period in 2012. Like for like* retail sales performed well, increasing by 1.7%. Moss Bros Hire maintained its position as the leading brand name in formal hire despite recording a like for like* sales reduction (before the deferral of revenue in relation to Hire deposits) of 7.2%. Overall like for like* sales were level in the first half.

Retail gross margins increased by 0.4 percentage points to 54.3% as raw material cost prices moderated and the benefits of direct sourcing came through. Hire gross margins fell by 3.9 percentage points to 85.5%, a function of a non-recurring credit in the prior year

Cost control remained an important factor with all expenditure carefully planned and monitored. Administration and Shops' selling and marketing costs were level with the prior year in the first half. Costs are expected to remain subdued in the second half with the exception of higher marketing costs directly associated with the rapid growth of e-commerce sales.

The refit programme to modernise the Moss Bros store portfolio continues and a further four stores were refitted in the first half. Refitted stores continue to trade ahead of non-refitted stores and are achieving our three year payback target. A further ten stores are planned to be refitted in the second half of the year. We opened one new store in the first half, closed two loss making stores and currently trade from 133 stores.

Our on-line capability continues to grow strongly with our e-commerce sales up by 164% in the first half of the year, an increase in the growth rate of 138% reported in our AGM statement for the first 18 weeks. Our new Retail website which went live in January 2013 has seen significant increases in customer traffic flow and conversion rates from launch. The addition of a mobile enabled site in May 2013 has had an immediate impact and is currently contributing 8% of total internet sales. We plan to launch a number of country specific, local currency websites in the second half to improve targeting of international customers and we will introduce CRM in early 2014 which will help us to prioritise and focus our online marketing activities. The new Hire website will be launched in September with a full catalogue offering and the Hire website transactional capability is planned to go live in November 2013, in preparation for the 2014 wedding season.

Our six month customer insight project has recently completed and we are focussing over the next six months on finalising our plans to develop and revitalise our brand supported by this extensive market research. Our customers have told us very clearly how much they value the Moss Bros brand for its expertise, heritage, product quality and value for money and therefore we have decided to adopt “Moss Bros” as the master brand, in place of “Moss” going forward. Further work to align our sub brands with customer aspirations is underway.

We have continued to deliver training to our store management teams, including selling skills, product knowledge and performance management. Further training, including recruitment, absence management and personal effectiveness are planned for the second half of the 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 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 27 July 2013 £'000	26 weeks to 28 July 2012 £'000	52 weeks to 26 January 2013 (*) £'000
Revenue			
Retail	**44,032**	43,101	86,633
Hire	**9,262**	9,561	17,967
Total revenue	**53,294**	52,662	104,600
Gross profit			
Retail	**23,899**	23,243	47,245
Hire	**7,919**	8,551	15,055
Total gross profit	**31,818**	31,794	62,300
Administrative expenses (**)	**(2,760)**	(3,080)	(5,852)
Shops' selling and marketing costs (**)	**(26,906)**	(26,672)	(53,716)
Operating profit	**2,152**	2,042	2,732
Other gains and losses	**(6)**	-	(2)
Investment revenues	**85**	171	246
Financial costs	**-**	(1)	-
Profit before taxation	**2,231**	2,212	2,980
EBITDA (***)	**4,360**	4,341	7,866

* 52 weeks to 26 January 2013 are stated before Exceptional items of Revenue £0.9m and Shops' selling and marketing costs £0.8m. Further details of these can be found in note 6 to the Annual Report & Accounts 2012/13

** Administrative expenses and shops' selling and marketing costs are not analysed between Retail and Hire.

*** 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

The Board has decided to declare an interim dividend of 0.3 pence per share (HY1 2012: 0.2 pence per share) an increase of 50% over the previous year, to be paid on 28 November 2013, to shareholders on the register on 1 November 2013 (ex dividend date 30 October 2013).

FINANCIAL POSITION

Net assets have increased to £36.7m (26 January 2013: £35.3m).

The daily management of cash remains a focus. The underlying cash position at 27 July 2013 was £29.7m (26 January 2013: £25.7m). The Group continues to meet its day to day working capital requirements through surplus cash balances.

Total net inventory at £13.3m (28 July 2012: £13.1m) 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 27 July 2013 was £4.0m. Dividends of £0.7m were paid in the year.

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

Details of all potential risks and uncertainties are disclosed in the note 2 of this Interim Management Report.

OUTLOOK

Trading in the eight weeks to 21 September 2013 was encouraging and Group like for like* sales continue to be positive. 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. An interim dividend of 0.3 pence per share, up 50% on the previous year will be paid as a reflection of the Board's confidence in the prospects for the Group.

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.

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.

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

MOSS BROS GOUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS TO 27 JULY 2013

	26 weeks to 27 July 2013 **Total** **£'000** **(Unaudited)**	26 weeks to 28 July 2012 Total £'000 (Unaudited)	52 weeks to 26 January 2013 Total £'000 (Audited)
CONTINUING OPERATIONS			
Revenue	**53,294**	52,662	105,487
Cost of sales	**(21,476)**	(20,868)	(42,300)
Gross profit	**31,818**	31,794	63,187
Administrative expenses	**(2,760)**	(3,080)	(5,852)
Shops' selling and marketing costs	**(26,906)**	(26,672)	(54,472)
Operating profit	**2,152**	2,042	2,863
Other gains and losses	**(6)**	-	2
Investment revenues	**85**	171	246
Financial costs	**-**	(1)	-
Profit on ordinary activities before taxation	**2,231**	2,212	3,111
Taxation charge	**(533)**	(599)	(726)
Profit from continuing operations after taxation	**1,698**	1,613	2,385
Profit after taxation attributable to equity holders of the parent	**1,698**	1,613	2,385
Other comprehensive income			
Cash flow hedges			
Change in fair value of effective portion	**36**	-	28
Total comprehensive income	**1,734**	1,613	2,413
Earnings per share			
Basic – continuing	**1.71p**	1.66p	2.43p
Diluted – continuing	**1.64p**	1.54p	2.33p

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS TO 27 JULY 2013

26 Weeks ended 27 July 2013 (Unaudited)	Share capital	Share premium account	Share based payments	Employee benefit trust	Hedging reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 26 January 2013	4,965	8,673	567	(1,825)	28	22,915	35,323
Profit for the period	-	-	-	-	-	1,698	1,698
Credit to equity for equity settled share based payments	-	-	137	-	-	47	184
Movement on deferred tax on share based payments	-	-	104	-	-	-	104
Sale of shares by employee benefit trust	-	-	-	46	-	(46)	-
Credit to equity for FX hedging	-	-	-	-	36	-	36
Dividends paid	-	-	-	-	-	(667)	(667)
Balance at 27 July 2013	**4,965**	**8,673**	**808**	**(1,779)**	**64**	**23,947**	**36,678**

26 Weeks ended 28 July 2012 (Unaudited)	Share capital	Share premium account	Share based payments	Employee benefit trust	Hedging reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'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 paid	-	-	-	-	-	(381)	(381)
Balance at 28 July 2012	**4,965**	**8,673**	**316**	**(1,824)**	**3**	**22,332**	**34,465**

52 Weeks ended 26 January 2013 (Audited)	Share capital	Share premium account	Share based payments	Employee benefit trust	Hedging reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 January 2012	4,727	8,673	1,459	(704)	-	20,175	34,330
Profit for the year	-	-	-	-	-	2,385	2,385
(Debit)/Credit to equity for equity settled share based payments	-	-	(878)	238	-	926	286
Movement on deferred tax on share based payments	-	-	(14)	-	-	-	(14)
Issue of share capital	238	-	-	(238)	-	-	-
Subscription to employee benefit trust shares	-	-	-	(1,121)	-	-	(1,121)
Credit to equity for FX hedging	-	-	-	-	28	-	28
Dividends paid	-	-	-	-	-	(571)	(571)
Balance at 26 January 2013	4,965	8,673	567	(1,825)	28	22,915	35,323

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 27 JULY 2013

	27 July 2013	28 July 2012	26 January 2013
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Intangible assets	**1,244**	823	1,231
Property, plant and equipment	**12,594**	12,962	11,488
Leasehold improvements	**816**	936	883
Deferred tax assets	**856**	938	822
Total non-current assets	**15,510**	15,659	14,424
Inventories	**13,345**	13,116	13,825
Trade and other receivables	**4,047**	4,332	4,666
Cash and cash equivalents	**29,737**	26,196	25,723
Derivative financial instruments	**38**	-	8
Total current assets	**47,167**	43,644	44,222
Total assets	**62,677**	59,303	58,646
Liabilities			
Trade and other payables	**17,214**	16,942	14,749
Provisions	**511**	707	564
Derivative financial instruments	**-**	19	-
Current tax liability	**1,311**	790	548
Total current liabilities	**19,036**	18,458	15,861
Other payables	**1,660**	1,897	1,741
Provisions	**2,471**	1,428	2,619
Deferred tax liabilities	**2,832**	3,055	3,102
Total non-current liabilities	**6,963**	6,380	7,462
Total liabilities	**25,999**	24,838	23,323
Net assets	**36,678**	34,465	35,323
Equity			
Issued capital	**4,965**	4,965	4,965
Share premium account	**8,673**	8,673	8,673
Share based payments	**808**	316	567
Employee benefit trust	**(1,779)**	(1,824)	(1,825)
Hedging reserve	**64**	3	28
Retained earnings	**23,947**	22,332	22,915
Equity attributable to equity holders of parent	**36,678**	34,465	35,323

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 26 WEEKS TO 27 JULY 2013

	26 weeks to 27 July 2013 £'000 (Unaudited)	26 weeks to 28 July 2012 £'000 (Unaudited)	52 weeks to 26 January 2013 £'000 (Audited)
Operating activities			
Profit after taxation	**1,698**	1,613	2,385
Adjustments for:			
Taxation charge	**533**	599	726
Other gains and losses	**6**	-	(2)
Net finance costs	**(85)**	(170)	(246)
Amortisation of intangible assets	**209**	340	579
Depreciation of property, plant and equipment	**1,998**	1,959	4,553
Amortisation of compulsory purchase compensation	**-**	-	(610)
Loss on disposal of property, plant and equipment	**-**	6	305
Decrease in inventories	**481**	969	260
Decrease / (increase) in receivables	**619**	(259)	(494)
Increase / (decrease) in payables	**2,382**	1,961	(20)
(Decrease) / increase in provisions	**(201)**	(116)	932
Share-based payments expense	**138**	120	286
Taxation received / (paid)	**31**	-	(120)
Net cash from operating activities	**7,809**	7,022	8,534
Investing activities			
Interest received	**85**	171	44
Purchase of intangible assets	**-**	(106)	(752)
Purchase of property, plant and equipment	**(3,259)**	(3,101)	(4,760)
Compulsory purchase compensation receipt allocated to property, plant and equipment	**-**	-	1,017
Net cash used in investing activities	**(3,174)**	(3,036)	(4,451)
Financing activities			
Interest paid	**-**	(1)	-
Dividends paid	**(667)**	-	(571)
Proceeds from the issue of shares	-	238	238
Subscription to employee benefit trust	**46**	(1,359)	(1,359)
Net cash used in financing activities	**(621)**	(1,122)	(1,692)
Net increase in cash and cash equivalents	**4,014**	2,864	2,391
Cash and cash equivalents at beginning of period	**25,723**	23,332	23,332
Cash and cash equivalents at end of period	**29,737**	26,196	25,723

NOTES TO THE CONDENSED SET OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS TO 27 JULY 2013

1. GENERAL INFORMATION

The results for the 26 weeks ended 27 July 2013 and 28 July 2012 are not audited by the Group's auditor.

The information for the 52 weeks ended 26 January 2013 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 consolidated 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. 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 26 January 2013.

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 26 January 2013, which are summarised below:

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 allowing us to invest in the store refit programme which commenced in 2012/13. The returns from this activity are being very closely monitored. 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.

Inventory 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

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) in 2012 and issued a further invitation to staff to participate in the Scheme in May 2013, 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.

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 27 July 2013:

CONTINUING OPERATIONS	**26 weeks to 27 July 2013 £'000**	26 weeks to 28 July 2012 £'000	52 weeks to 27 January 2013 £'000
Revenue			
Retail	**44,032**	43,101	86,633
Hire	**9,262**	9,561	17,967
Total revenue	**53,294**	52,662	104,600
Gross profit			
Retail	**23,899**	23,243	47,245
Hire	**7,919**	8,551	15,055
Total gross profit	**31,818**	31,794	62,300
Administrative expenses	**(2,760)**	(3,080)	(5,852)
Shops' selling and marketing costs	**(26,906)**	(26,672)	(53,716)
Operating profit	**2,152**	2,042	2,732
Other gains and losses	**(6)**	-	2
Investment revenues	**85**	171	246
Financial costs	**-**	(1)	-
Profit before taxation	**2,231**	2,212	2,980

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

The effective tax rate on the reported profit before tax for the 26 week period is 23.9% (28 July 2012: 27.1%; 26 January 2013: 23.3%), 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 99,311,580 (28 July 2012: 97,313,791; 26 January 2013: 98,312,686) ordinary shares in issue during the period and are calculated by reference to the profit attributable to shareholders of £1,698,000 (28 July 2012: £1,613,000; 26 January 2013: £2,385,000).

Diluted earnings per ordinary share is based upon the weighted average of 103,562,806 (28 July 2012: 104,795,614; 26 January 2013: 102,375,453) ordinary shares, which will include the effects of share options, SAYE and shares under the LTIP of 5,293,529 (28 July 2012: 7,481,822; 26 January 2013: 4,104,544), 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 27 July 2013 Pence**	26 weeks to 28 July 2012 pence	52 weeks to 28 January 2013 pence
Total (continuing and discontinued operations)	**1.71**	1.66	2.43
Continuing operations basic earnings per share	**1.71**	1.66	2.43

Diluted earnings per share	**26 weeks to 27 July 2013 Pence**	26 weeks to 28 July 2012 pence	52 weeks to 28 January 2013 pence
Total (continuing and discontinued operations)	**1.64**	1.54	2.33
Continuing operations basic earnings per share	**1.64**	1.54	2.33

6. DIVIDENDS

The Directors have declared an interim dividend of 0.3 pence per share (HY1 2012: 0.2 pence per share) payable on 28 November 2013 to shareholders on the register on 1 November 2013 with an ex dividend date of 30 October 2013.

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:

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, Moss Bros

Group plc agreed a long term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow, on an arm's length basis.

8. SHARE BASED PAYMENTS

In 2009/10 a new equity settled Long Term Incentive Plan (LTIP) was approved by shareholders. During the period to 27 July 2013, under the same 2009/10 LTIP scheme, 1,341,541 shares were awarded to senior employees on 11 April 2013. 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'.

A Save As You Earn (SAYE) scheme was approved and adopted in the last financial year and is open to all employees to benefit from the continued growth of the business. During the period to 27 July 2013, a further grant was made.

The amount recorded in the income statement for share based payments under IFRS2 in the period to 27 July 2013 was £137,000 (28 July 2012: £120,000; 26 January 2013: £286,000).

A deferred tax adjustment was recorded in the share-based payment reserve of £104,000 credit in the period to 27 July 2013 (28 July 2012: £100,000 debit; 28 January 2013: £14,000 debit).

An adjustment was recorded in the retained earnings of £47,000 relating to the exercise of deferred bonus shares in the period to 27 July 2013.

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

9. 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).