MOSS BROS GROUP PLC
HALF YEARLY FINANCIAL REPORT
FOR THE 26 WEEKS TO 26 JULY 2014

Moss Bros Group PLC ("the Group"), the 'UK'S No 1 Men's Formalwear Specialist' today announces its Half Yearly Financial Results, covering the 26 week period from 26 January 2014 to 26 July 2014.

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 increased 6.4% and total sales of £55.8m were 4.6% up, on last year.
- Like for like* retail sales were up 8.5%, including e-commerce sales up 100%. Like for like* hire sales were 2.7% lower, an improvement from the 3.8% reduction reported for the first 16 weeks of the half year.
- Retail gross margin was up 0.2% due to the reduced levels of residual stock. Overall gross margin was 59.1% (HY1 2013: 59.7%) due to the reduced participation of Hire in the overall sales mix.
- Pre-tax profit was marginally lower, as anticipated at £2.0m (HY1 2013: £2.2m) and operating profit £1.9m (HY1 2013: £2.2m) due to the higher number of stores that were closed for refit in the first half of this year, compared with the previous year.
- Underlying cash balance of £22.8m.
- Interim dividend increased significantly to 1.7 pence per share (27 July 2013: 0.3 pence per share), in line with the progressive dividend policy announced in January 2014.

Operational

- Following the adoption of Moss Bros as the master brand we successfully launched our new range of sub brands in Autumn 2014: Moss London, Moss 1851, Moss Esquire.
- On-line capability continued to grow strongly, with e-commerce sales up by 100% on the previous year, now comprising 6.8% of total Group revenue.
- The programme to modernise the store portfolio continues and, encouraged by the performance of the stores refitted to date, we have accelerated the refit schedule, completing 9 stores in the first half (2013 H1: 4 stores). 49 stores now trade in the new format, out of a total of 133.
- Rollout of our 'single customer record' database across the business was completed in the second quarter, a significant milestone in our transition into a multi channel retailer.

Current trading and outlook

Trading in the seven weeks to 13 September 2014 has been encouraging with like for like* sales up 6.0%. Hire is well prepared for the peak eveningwear season.

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.

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

"These results reflect another period of progress for the Company.

We continue to invest in the future and make good progress in delivering our strategy. The successful launch of our new sub brand line up at the start of the Autumn 2014 season, in conjunction with our ongoing store refit programme, means our customer offer is now more closely defined and aligned with our target customer groups. Ecommerce continues to grow strongly and our plans to develop a fully multichannel customer experience are on track. We continue to innovate and develop our service proposition and added 'Login & Pay with Amazon', putting us among the first UK retailers to offer this functionality.

The decline in Hire moderated in the second quarter and we expect to see further improvement in the second half of the year as we move out of the wedding season into eveningwear. We continue to develop our hire proposition, both in terms of product offer and service.

The early response to the Autumn/Winter retail range is positive, with like for like* sales continuing to improve year on year.

The Group's financial performance continues positively and in line with the Board's expectations for the outturn for the year."

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 a cash receipts basis in the period, before adjusting for the movement in the level of hire deposits held.*

INTERIM MANAGEMENT REPORT
FOR THE 26 WEEKS TO 26 JULY 2014

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, with retail sales comprising 85%, and Hire 15%, of total sales. The Group retails own brand and third party brand 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 in a small number of stores, where there is a historical link in areas such as the Strand in London.

New sub brands of Moss London, Moss 1851 and Moss Esquire were launched in Autumn 2014. These new sub brands, combining with Savoy Taylors Guild, have created an authoritative and complementary customer offer across a range of fits and prices, underpinning our expertise in formalwear, under the master brand Moss Bros.

REVIEW OF THE FIRST HALF

The profit before tax from continuing operations for the six months to 26 July 2014 was £2.0m, as expected marginally below the prior year (HY1 2013: £2.2m) due to the higher number of stores that were closed for refit in the first half of this year, compared with the previous year.

The business performed strongly in the first half with the increase in retail gross profit offsetting the shortfall in hire. Our new sub brands were successfully launched in Autumn 2014. Ecommerce continued to achieve significant growth and our refitted stores continued to deliver payback targets. As planned, costs rose in the first half in marketing, ecommerce and IT to support business growth. The implementation of new systems and processes will support our multi channel customer offer.

Trading performance

Total revenue increased by 4.6% in the six months to 26 July 2014 to £55.8m (HY1 2013; £53.3m). Like for like* retail sales performed well, increasing by 8.5%. 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 2.7%. Overall like for like* sales were up 6.4% in the first half.

Retail gross margin was up 0.2 %, as the benefits of running with lower levels of residual stock across the business came through. Overall gross margin was 0.6 % lower at 59.1% (HY1 2013: 59.7%) reflecting the reduced participation of Hire in the overall sales mix.

Our new sub brands were successfully launched at the start of Autumn 2014, with Moss London, Moss 1851 and Moss Esquire replacing Ventuno, Blazer and DeHavilland. These new sub brands, combining with Savoy Taylors Guild, have created an authoritative and complementary customer offer across a range of fits and prices, underpinning our expertise in formalwear, under the master brand Moss Bros. The sub brand launch was supported by a carefully targeted marketing campaign, fronted by a leading fashion model, using a range of media including social. The new ranges have been well received, which bodes well for the future.

The refit programme to modernise the Moss Bros store portfolio continues and, given the encouraging performance of stores refitted to date, is being accelerated. Nine stores were refitted in the 26 weeks to 27 July 2014 (2013: four) and a further fourteen stores are planned to be refitted in the second half of the financial year. Forty nine stores now trade in the new format and there are increasing signs that this is helping to change customers' perception of the business to a modern, multichannel retailer, that is also the leading brand in Hire. In addition to the refit programme, we opened one new store and closed one loss making store in the first half.

We currently trade from 133 stores.   We will continue to add to our store portfolio where we find locations that meet our investment criteria.

As reported in our AGM statement in March 2014, hire bookings for the 2014 wedding season are behind last year's levels, although the average price achieved on hire continued to improve as a result of the introduction of new premium product lines, such as a 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. We continue to develop our hire proposition, both in terms of product offer and service.

Our on-line capability continues to grow strongly, since the relaunch of our e-commerce retail platform in 2013 with e-commerce retail sales up by 100% on the previous year. Traffic flow, conversion and customer retention continues to improve. We launched our country specific Australia site in the first half to add to sites serving Eire, Sweden, Denmark and the Netherlands. International sales now comprise 5.9% of online retail sales. Mobile traffic continues to grow strongly and is now 9.1%, of online sales. We also added 'Login & Pay with Amazon' putting us among the first UK retailers to offer this functionality. The new Hire website continues to gather momentum with the added benefit of an emerging trend of customer journey crossover from website to store, where initial selections made online are then followed up with a visit to store to confirm final order details. Overall online sales now comprise 6.8% of total Group revenue (FY 2013 5.1%).

As part of progress towards achieving a seamless cross channel experience for our customers we launched our 'single customer record' database across the business as planned in the second quarter, enabling customer records, including transaction history, to be accessible across all our business channels.   In addition, an option for customers to receive their in store customer receipt via email has also been recently introduced. As well as improving customer convenience, we anticipate that this will significantly increase email collection rates. Building on these initiatives, we will introduce customer relationship management software tools in the second half to focus customer communications on propositions that are relevant and appealing.

**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 a cash receipts basis in the period, before adjusting 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** **26 July 2014** **£'000**	26 weeks to 27 July 2013 £'000	52 weeks to 25 January 2014 £'000
Revenue			
Retail	**47,208**	44,032	92,021
Hire	**8,562**	9,262	17,120
Total revenue	**55,770**	53,294	109,141
Gross profit			
Retail	**25,730**	23,899	49,930
Hire	**7,220**	7,919	14,497
Total gross profit	**32,950**	31,818	64,427
Gross margin %			
Retail	***54.5%***	*54.3%*	*54.3%*
Hire	***84.3%***	*85.5%*	*84.7%*
Total	***59.1%***	*59.7%*	*59.0%*
Administrative expenses (*)	**(2,993)**	(2,760)	(5,575)
Shops' selling and marketing costs (*)	**(28,029)**	(26,906)	(54,550)
Operating profit	**1,928**	2,152	4,302
Other gains and losses	**(27)**	(6)	2
Investment revenues	**53**	85	151
Financial costs	**-**	-	(31)
Profit before taxation	**1,954**	2,231	4,424
EBITDA (**)	**4,283**	4,359	9,156

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

** EBITDA is earnings before interest, tax, depreciation and amortisation on continuing activities. See Note 6.

DIVIDEND AND DIVIDEND POLICY

The Board has decided to declare an interim dividend of 1.7 pence per share (HY1 2013: 0.3 pence per share) a significant increase over the previous year, to be paid on 27 November 2014, to shareholders on the register on 31 October 2014 (ex dividend date 30 October 2014).

FINANCIAL POSITION

Net assets have decreased to £36.1m (25 January 2014: £39.0m).

The daily management of cash remains a focus. The underlying cash position at 26 July 2014 was £22.8m (25 January 2014: £28.3m). Net cash outflow for the six months ended 26 July 2014 was £5.6m. Dividends of £4.6m were paid in the period. The Group continues to meet its day to day working capital requirements through surplus cash balances.

Total net inventory at £15.1m (25 January 2014: £13.5m) increased in line with sales and to improve stock availability across all channels. Residual Spring stocks have been successfully cleared, and closed the half lower than was the case in the previous 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 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.

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 GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS TO 26 JULY 2014

	26 weeks to 26 July 2014	26 weeks to 27 July 2013	52 weeks to 25 January 2014
	Total	Total	Total
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
CONTINUING OPERATIONS			
Revenue	**55,770**	53,294	109,141
Cost of sales	**(22,820)**	(21,476)	(44,714)
Gross profit	**32,950**	31,818	64,427
Administrative expenses	**(2,993)**	(2,760)	(5,575)
Shops' selling and marketing costs	**(28,029)**	(26,906)	(54,550)
Operating profit	**1,928**	2,152	4,302
Other gains and losses	**(27)**	(6)	2
Investment revenues	**53**	85	151
Financial costs	**-**	-	(31)
Profit on ordinary activities before taxation	**1,954**	2,231	4,424
Taxation charge	**(499)**	(533)	(844)
Profit from continuing operations after taxation	**1,455**	1,698	3,580
Profit after taxation attributable to equity holders of the parent	**1,455**	1,698	3,580
Other comprehensive income			
Cash flow hedges			
Change in fair value of effective portion	**90**	36	(172)
Total comprehensive income	**1,545**	1,734	3,408
Earnings per share		Restated see note 5	
Basic – continuing	**1.51p**	1.78p	3.76p
Diluted – continuing	**1.42p**	1.71p	3.53p

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS TO 26 JULY 2014

26 Weeks ended 26 July 2014 (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 25 January 2014	4,965	8,673	1,741	(1,779)	(144)	25,543	38,999
Profit for the period	-	-	-	-	-	1,455	1,455
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	90	-	90
Total comprehensive income	-	-	-	-	90	1,455	1,545
Dividends paid	-	-	-	-	-	(4,568)	(4,568)
Issue of share capital	75	-	-	(75)	-	-	-
Credit to equity for equity settled share based payments	-	-	194	-	-	-	194
Exercise of shares held under option	-	-	(471)	-	-	471	-
Movement on deferred tax on share based payments	-	-	(83)	-	-	-	(83)
Sale of shares by employee benefit trust	-	-	-	333	-	(333)	-
Balance at 26 July 2014	**5,040**	**8,673**	**1,381**	**(1,521)**	**(54)**	**22,568**	**36,087**

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**

52 Weeks ended 25 January 2014 (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 26 January 2013	4,965	8,673	567	(1,825)	28	22,915	35,323
Profit for the year	-	-	-	-	-	3,580	3,580
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	(172)	-	(172)
Total comprehensive income	-	-	-	-	(172)	3,580	3,408
Dividends paid	-	-	-	-	-	(953)	(953)
Reclassification from accruals for equity settled share-based payments	-	-	289	-	-	47	336
Sale of shares by employee benefit trust	-	-	-	46	-	(46)	-
Credit to equity for equity settled share-based payments	-	-	487	-	-	-	487
Movement on deferred tax on equity settled share-based payments	-	-	398	-	-	-	398
Balance at 25 January 2014	**4,965**	**8,673**	**1,741**	**(1779)**	**(144)**	**25,543**	**38,999**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 26 JULY 2014

	26 July 2014	27 July 2013	25 January 2014
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Intangible assets	**1,977**	1,244	1,878
Property, plant and equipment	**13,269**	12,594	12,039
Leasehold improvements	**846**	816	821
Deferred tax assets	**1,420**	856	1,698
Total non-current assets	**17,512**	15,510	16,436
Inventories	**15,054**	13,345	13,457
Trade and other receivables	**3,489**	4,047	4,438
Cash and cash equivalents	**22,763**	29,737	28,321
Derivative financial instruments	**-**	38	-
Total current assets	**41,306**	47,167	46,216
Total assets	**58,818**	62,677	62,652
Liabilities			
Trade and other payables	**16,139**	17,214	14,372
Provisions	**298**	511	956
Derivative financial instruments	**100**	-	162
Current tax liability	**305**	1,311	2,335
Total current liabilities	**16,842**	19,036	17,825
Other payables	**1,771**	1,660	1,710
Provisions	**2,139**	2,471	2,139
Deferred tax liabilities	**1,979**	2,832	1,979
Total non-current liabilities	**5,889**	6,963	5,828
Total liabilities	**22,731**	25,999	23,653
Net assets	**36,087**	36,678	38,999
Equity			
Issued capital	**5,040**	4,965	4,965
Share premium account	**8,673**	8,673	8,673
Share based payments	**1,381**	808	1,741
Employee benefit trust	**(1,521)**	(1,779)	(1,779)
Hedging reserve	**(54)**	64	(144)
Retained earnings	**22,568**	23,947	25,543
Equity attributable to equity holders of parent	**36,087**	36,678	38,999

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 26 WEEKS TO 26 JULY 2014

	26 weeks to 26 July 2014 £'000 (Unaudited)	26 weeks to 27 July 2013 £'000 (Unaudited)	52 weeks to 25 January 2014 £'000 (Audited)
Operating activities			
Profit after taxation	**1,454**	1,698	3,580
Adjustments for:			
Taxation charge	**499**	533	844
Other gains and losses	**27**	6	(2)
Investment revenues	**(53)**	(85)	(151)
Net finance costs	**-**	-	31
Amortisation of intangible assets	**412**	209	670
Depreciation of property, plant and equipment	**2,045**	1,998	4,388
Amortisation of compulsory purchase compensation	**(102)**	-	(204)
Loss on disposal of property, plant and equipment	**-**	-	129
(Increase)/Decrease in inventories	**(1,597)**	481	368
Decrease / (increase) in receivables	**949**	619	228
Increase / (decrease) in payables	**1,357**	2,382	(336)
(Decrease) in provisions	**(658)**	(201)	(88)
Share-based payments expense	**361**	138	675
Taxation received / (paid)	**(2,361)**	31	(659)
Net cash from operating activities	**2,333**	7,809	9,473
Investing activities			
Interest received	**53**	85	151
Purchase of intangible assets	**(511)**	-	(1,317)
Purchase of property, plant and equipment	**(3,198)**	(3,259)	(4,802)
Net cash used in investing activities	**(3,656)**	(3,174)	(5,968)
Financing activities			
Dividends paid	**(4,568)**	(667)	(953)
Proceeds from the issue of shares	**75**	-	-
Sale of shares by employee benefit trust	**258**	46	46
Net cash used in financing activities	**(4,235)**	(621)	(907)
Net (decrease)/increase in cash and cash equivalents	**(5,558)**	4,014	2,598
Cash and cash equivalents at beginning of period	**28,321**	25,723	25,723
Cash and cash equivalents at end of period	**22,763**	29,737	28,321

NOTES TO THE CONDENSED SET OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS TO 26 JULY 2014

1. GENERAL INFORMATION

The results for the 26 weeks ended 26 July 2014 and 27 July 2013 are not audited nor reviewed by the Group's auditor.

The information for the 52 weeks ended 25 January 2014 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 25 January 2014.

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 have revisited and updated the principal risks and uncertainties as published in the annual report for the 52 weeks ended 25 January 2014, which are summarised below:

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
Hire	**The Hire business demands the highest level of customer service** 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.	We have a dedicated customer service team which actively seek to resolve any customer service issues arising. We are continually refreshing and replenishing our stock of hire garments to ensure we are able to cater for all occasions whenever they fall due. We have strengthened our market position during the year through the introduction of a new transactional Hire website.	The risk is ongoing, however we have expanded our customer service team during the year.
Retail and Bespoke	**Factors outside our control, such as an economic downturn affecting the UK, may have a material adverse effect on results** As a retail business based and operating predominantly in the UK, we are particularly exposed to any economic downturn in the UK which could affect consumer confidence and therefore spending.	We continually focus on maintaining our product quality, customer service and supplier relationships, whilst retaining our competitive position, including value and pricing.	This risk has reduced as the economic outlook gradually improves.
E-Commerce	**Customer satisfaction is as important online as offline** Ease of navigation/ability to transact quickly on the website is key to generating sales online. Maintaining a competitive edge through customers being able to interact with the product online, offering product choice and availability, and allowing multiple payment and delivery options are important in growing our online presence. Ensuring a secure online marketplace is also vital for customers to be able to transact safely.	We are continually developing our website offering in order to become fully multi-channel. Our Retail website has continued to see significant increases in customer traffic flow and conversion rates. Our new Hire website has been well received by customers and in terms of the customer journey, we are seeing a high level of cross over with our stores. We have implemented security policies, rules and technical measures to protect customer data.	With the increase in trade through e-commerce and the market trend on moving to a fully multichannel operation, the risk has increased during the year.
Brand image	**Maintaining our store presentation is important for attracting customers and growing our brand** The historical underinvestment in the store estate in previous years has meant that some of our stores lack the level of presentation that we require to grow the business and the brand.	We are undergoing a store redevelopment programme to both modernise the look and feel of the stores and to meet more routine maintenance that has been deferred for many years. The development and launch of a new sub brand line up, under the master brand 'Moss Bros', in Autumn 2014 has strengthened the brand identity	The risk has been reduced during the year with the progression of the store redevelopment programme and establishment of a marketing function.

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
Costs	**Cost price increases and currency fluctuation could have a materially adverse affect on results** A fluctuation in currency rates could materially affect the Group's cost base and margins.	Management has mitigated the cost price risk as a significant proportion of inventory is direct sourced and prices have been agreed as a result of competitive tendering. In addition, the Group operates a treasury policy which hedges the foreign exchange risk from such direct sourcing arrangements. Management closely monitor the effectiveness of these arrangements.	The risk is ongoing however is continually monitored and addressed.
Supply chain	**A disruption to supplier continuity may adversely affect our operation** Suppliers going out of business could have a significant impact on our ability to meet demand in store and online.	We are continually reviewing and refreshing our supplier list. The diversification of product buying across a range of suppliers limits the Group's over reliance upon any individual supplier.	The risk is ongoing however is continually monitored and addressed.
Distribution centre (DC)	**Operating our distribution centre from one location leaves the Group exposed to business catastrophes occurring at that location** Any business catastrophe affecting our distribution centre could severely affect the Group's ability to supply to stores and customers.	We continually review and monitor our disaster recovery plan to ensure that all business risks are adequately covered. Our financial risk of operating from one location is mitigated through our comprehensive insurance cover. DC IT systems are currently being upgraded.	With new and increased operating pressures on the DC through multi-channel, the reliance and consequent exposure to risk of the DC failing has increased during the year.
IT Upgrade	**The business is in the process of upgrading its stock management, DC and point of sale systems over a two year period, from February 2014.** Risks include project over run, in terms of both time and costs, and disruption to the business as the new systems are brought into use.	The project is an upgrade to existing systems, rather than wholesale replacement, and as a consequence there is an established upgrade path to follow. This reduces the implementation risk. The system is being supplied by the existing systems supplier whose track record is established and reliable.	Implementation commenced in February 2014.
People	**The Group's reliance on key management and other personnel could put pressure on the business if they were to leave** Attracting and retaining high calibre people is a key priority and a central focus in striving for excellent customer service across the Group's business channels.	Effective recruitment policies and people development means the Group can take full advantage of the recovery in its performance. Long term incentive share awards were granted to senior employees during the year to more closely align their interests to those of the Group and a SAYE scheme is in operation.	The risk is ongoing however is continually monitored and addressed.

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 within the Financial Summary on page 5.

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 25.5% (27 July 2013: 23.9%; 25 January 2014: 19.1%), 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 96,206,285 (27 July 2013 restated*: 95,212,050; 25 January 2014: 95,230,174) ordinary shares in issue during the period and are calculated by reference to the profit attributable to shareholders of £1,455,000 (27 July 2013: £1,698,000; 25 January 2014: £3,580,000).

Diluted earnings per ordinary share is based upon the weighted average of 102,142,420 (27 July 2013 restated*: 99,463,276; 25 January 2014: 101,388,658) ordinary shares, which will include the effects of share options, SAYE and shares under the LTIP of 5,195,557 (27 July 2013 restated*: 4,520,104; 25 January 2014: 6,318,052), 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 26 July 2014 Pence**	Restated* 26 weeks to 27 July 2013 Pence	52 weeks to 25 January 2014 pence
Total (continuing operations)	**1.51**	1.78	3.76
Continuing operations basic earnings per share	**1.51**	1.78	3.76

Diluted earnings per share	**26 weeks to 26 July 2014 Pence**	Restated* 26 weeks to 27 July 2013 Pence	52 weeks to 25 January 2014 pence
Total (continuing operations)	**1.42**	1.71	3.53
Continuing operations basic earnings per share	**1.42**	1.71	3.53

*Restated to deduct shares held by the Employee Benefit Trust from the total number of shares in issue for the purposes of calculating Basic earnings per share and Diluted earnings per share. The figure for 26 weeks to 27 July 2013 Basic earnings per share prior to restatement was 1.71 pence and Diluted earnings per share was 1.64 pence.

6. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

EBITDA as reported in the Financial Summary on page 5 is calculated as follows:

Continuing activities	**26 weeks to 26 July 2014**	26 weeks to 27 July 2013	52 weeks to 25 January 2014
Profit before tax	**1,954**	2,231	4,424
Deduct:			
Investment revenues	**(53)**	(85)	(151)
Financial costs	**-**	-	31
Add:			
Depreciation of property, plant and equipment	**2,045**	1,998	4,388
Amortisation of intangible assets	**412**	209	670
Amortisation of compulsory purchase compensation	**(102)**	-	(204)
Other gains and losses	**27**	6	(2)
EBITDA	**4,283**	4,359	9,156

7. DIVIDENDS

The directors have declared an interim dividend of 1.7 pence per share (HY1 2013: 0.3 pence per share) payable on 27 November 2014 to shareholders on the register on 31 October 2014 with an ex dividend date of 30 October 2014.

8. 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

Moss Bros agreed a sublet of a store lease to White Stuff Ltd ("White Stuff"). Debbie Hewitt, Chairman of Moss Bros Group plc, is also Chairman and Director of White Stuff. The transaction was on arms length commercial terms and Debbie Hewitt took no part in determining the commercial terms offered by Moss Bros or in the decision to accept them taken by White Stuff. The sublet is from June 2014 until December 2021 at a rent of £50,000 per year. A capital contribution of £50,000 was paid to White Stuff on completion of the agreement.

At the 26 July 2014 the balance due from White Stuff was less than £500 in respect of service charges payable in arrears.

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.

9. SHARE BASED PAYMENTS

In 2009/10 a new equity settled Long Term Incentive Plan (LTIP) was approved by shareholders. During the period to 26 July 2014, under the same 2009/10 LTIP scheme, 807,341 shares were awarded to senior employees on 14 April 2014. 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 2012/13 and is open to all employees to benefit from the continued growth of the business. During the period to 26 July 2014, a further grant was made.

The amount recorded in the income statement for share based payments under IFRS2 in the period to 26 July 2014 was £194,000 (27 July 2013: £137,000; 25 January 2014: £487,000).

A deferred tax adjustment was recorded in the share-based payment reserve of £83,000 debit in the period to 26 July 2014 (27 July 2013: £104,000 credit; 25 January 2014: £398,000 credit).

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

10. 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.mossbros.co.uk).