

MOSS BROS GROUP PLC
INTERIM MANAGEMENT STATEMENT
CONTINUED GROWTH

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Moss Bros Group PLC ("the Group"), the 'UK'S No 1 Men's Formalwear Specialist', today issues its Interim Management Statement for the 18 week period from 27 January 2013 to 1 June 2013.

The Group's overall trading performance continues to improve on the prior year in line with market expectations, and is on course to deliver anticipated levels of growth.

Highlights:

- Total sales for the continuing business for the first 18 weeks improved, after a slow start to the half as previously reported, and were 0.6% up on last year. Like-for-like sales were up 0.3% for the same period.
- Like-for-like retail sales, including e-commerce, were up 2%. Hire sales, as anticipated, were 6.2% lower.
- Like-for-like cash gross profit strengthened through the period against last year, from -2.4% after 7 weeks to be 0.6% up on last year after 18 weeks.
- Following the launch of the new retail website platform in January 2013, e-commerce sales have accelerated sharply and for the first 18 weeks were up 138% on last year. E-commerce sales now comprise 3.3% of total sales compared to 1.4% for the same period last year. Traffic flow and conversion rates are on an improving trend and a mobile enabled site was successfully launched in May. The systems development project to create a fully integrated omni-channel customer experience continues, with the launch of a transactional Hire website planned for September 2013.
- A further four stores have been refitted so far this year as part of our ongoing refit programme, bringing the total number of stores trading on the new format to twenty four, comprising eighteen refitted stores and six new stores out of a total portfolio of 136 stores. We are pleased to report that the new format stores are trading ahead of non-refitted stores and are on track to achieve their anticipated payback targets. One new store opened during the period and one closed.
- The comprehensive marketing review launched in February 2013 is highlighting valuable insights into our target market (customers, market size and share) and offer (brand hierarchy, pricing and positioning). Once completed this will enable us to prioritise and focus our marketing activities. We intend to appoint a Marketing Director to drive this forward. An update on this work will be given in the 2013/14 Interim results in September 2013.
- The Group has maintained a healthy cash balance

The business continues to make good progress in tough market conditions, and although the Board is mindful of the macro-economic environment and its impact on consumer spending, it remains confident the business will meet market expectations for the year.

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

“We are pleased that retail sales and margins have reverted to a positive trend after a difficult first seven weeks of the half. Hire sales are performing in line with management expectations, although like for likes are expected to be volatile throughout the rest of the year as the Hire business anniversaries against the unusual trading pattern seen during last summer’s sporting events. E-commerce sales in the first 18 weeks of the half accelerated sharply, reflecting the continuing investment in systems and infrastructure, and we believe that continued strong growth in e-commerce can be achieved in the coming months.

Although we remain cautious about the general economic environment we believe our strategy of refitting stores, investing in e-commerce infrastructure and focusing on our target market and customer offer will strengthen the Moss Bros brand and will maximise profitability. We are confident about our medium term growth prospects.”

The Group will announce its Interim Results on 26 September 2013.

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.

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