MOSS BROS GROUP PLC
HALF YEARLY FINANCIAL REPORT
FOR THE 26 WEEKS TO 1 AUGUST 2015

Moss Bros Group PLC (“the Group”), the 'No 1 Men's Suit Specialist' today announces its Half Yearly Financial Results, covering the 26 week period from 1 February 2015 to 1 August 2015.

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 9.7% and total sales of £61.3m were 10.0% up on last year.
- Like for like* retail sales were up 9.7%, including e-commerce sales up 55%. Like for like* hire sales were up 9.8%.
- Retail gross margin was up 1.4% due to improved sell through rates and more targeted promotional activity. Overall gross margin also increased to 60.1% (HY1 2014: 59.1%).
- Pre-tax profit was up 44% to £2.8m (HY1 2014: £2.0m) and operating profit by 44% to £2.8m (HY1 2014: £1.9m).
- Strong cash performance, with an underlying cash balance of £19.0m at the period end.
- Interim dividend increased by 5.9% to 1.8 pence per share (26 July 2014: 1.7 pence per share).

Operational

- Online performance continued to grow strongly, with overall e-commerce sales up by 59% on last year, now representing 10% of total Group revenue.
- The programme to modernise the store portfolio continues and 11 further stores were completed in the first half (2014 H1: 9 stores). 74 new and refitted stores now trade in the new format, out of a total of 125 stores.
- Following the implementation of our ‘single customer record’ database across the business in the second quarter, a CRM programme will be launched pre Christmas.
- As part of our plans to test our brand resonance in overseas markets, a two store pilot in the Middle East is being undertaken with a franchise partner, with the first store due to open later this year.
- A People Director was appointed to lead the investment in our customer service experience.

Current trading and outlook

Trading in the 8 weeks to 26 September 2015 has been very encouraging with like for like* sales up 10.4%.

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

“The half year under review was another period of strong progress for the Company.

The successful launch of our new Moss Bros sub brand line up at the start of the Autumn 2014 season, in conjunction with our ongoing store refit programme, has ensured our customer offer is now more closely defined and aligned with our target customer groups, and is steadily building equity in the Moss Bros brand.

The implementation of a more coordinated and targeted promotional programme, in conjunction with improved clearance of residual stocks through our e-commerce 'Outlet' channel, has enabled us to improve our achieved gross margin. E-commerce has grown strongly in the period and this trend is expected to continue.

The broadening of our Hire product range, through the introduction of two ranges of lounge suits, and improvements in customer service delivery contributed to renewed growth in Hire and a successful 2015 wedding season, with Royal Ascot and eveningwear continuing to show growth.

We are at the very early stages of testing our retail proposition in International markets and will do so rigorously to ensure we understand the resonance of our brand and proposition.

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."

The Group also announces that after six years of service, Robin Piggott, Finance Director, has notified the Board of his intention to retire at the Company's AGM on 20th May 2016. He will remain in his role until then to ensure a smooth transition with his successor.

Chairman, Debbie Hewitt, commented:

"The Board would like to express its sincere thanks to Robin for his invaluable contribution to the Group over the past six years, during which time he has played a pivotal role in the successful turnaround and subsequent progress of the business.

The search for his successor will commence shortly and we are delighted that Robin has agreed to continue with the Group until our AGM in May 2016, in order to ensure a smooth handover of duties."

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/Victoria Watkins/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 1 AUGUST 2015

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.

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 Moss Bros master brand.

REVIEW OF THE FIRST HALF

The profit before tax from continuing operations for the six months to 1 August 2015 was £2.8m an increase on last year (HY1 2014: £2.0m) of 44% due to strong like for like sales and margin growth benefitting from an increasing contribution from refitted stores and online growth.

The business performed well in the first half with increases in retail gross profit and a recovery in wedding hire. Our new sub brands, launched in Autumn 2014, together with our refitted stores, enabled us to present a more authoritative and complementary customer offer. This allowed us to adopt more targeted promotional campaigns resulting in higher achieved gross margins for the half. E-commerce continued to achieve strong growth. The continued development of new systems and processes will support our multi channel customer offer.

Trading performance

Total revenue increased by 10.0% in the six months to 1 August 2015 to £61.3m (HY1 2014; £55.8m). Like for like* retail sales performed well, increasing by 9.7%. Moss Bros Hire maintained its position as the leading brand name in formal hire, recording a like for like* sales increase (before the deferral of revenue in relation to Hire deposits) of 9.8%. Across the Group like for like* sales were up 9.7% in the first half.

Retail gross margin was up 1.4 %, as the benefits of running more coordinated and targeted promotional campaigns across the business came through. Overall gross margin was 1% higher at 60.1% (HY1 2014: 59.1%).

The refit programme to modernise the Moss Bros store portfolio continues and our refitted stores continued to achieve payback targets. Eleven stores were refitted in the 26 weeks to 1 August 2015 (2014: nine) and a further fourteen stores are planned to be refitted in the second half of the financial year. 74 new and refitted 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 line with our strategy of improving the store portfolio we relocated 4 stores to larger, better positioned locations in the first half, and closed 5 marginal stores, and currently trade from 125 stores. We will continue to improve our store portfolio where we find locations that meet our investment criteria.

As reported in our AGM statement in May 2015, hire bookings for the 2015 wedding season are ahead of last year's levels, and the average price achieved on hire continued to improve as a result of the introduction of new premium product lines. The introduction of Lounge Suits in particular has been very successful and has enabled us to broaden our wedding hire offer. The impact of the improvement in wedding hire bookings will however reduce in the second half as we move out of the wedding season and into the eveningwear season. We will continue to develop our hire proposition, both in terms of product offer and service.

Our online capability continues to grow strongly with e-commerce retail sales up by 55% on the previous year. Traffic flow, conversion and customer retention all continue to improve. We launched a country specific USA site in the first half to add to sites serving Eire, Sweden, Denmark, the Netherlands and Australia. International sales now comprise 3.1% of online retail sales. Mobile traffic continues to grow strongly and is now 23%, of online sales. A number of upgrades were made to the Hire website in the first half and online Hire 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 10% of total Group revenue (FY 2014: 7.8%).

As part of progress towards achieving a seamless cross channel experience for our customers and building on the launch of our 'single customer record' database across the business we will introduce customer relationship management software tools in the second half to focus customer communications on propositions that are relevant and appealing.

As part of the ongoing development of the Moss Brand, opportunities for international growth are being evaluated. A two store pilot in the Middle East is being undertaken with a franchise partner with the first store due to open later this year. Appropriate resource is being recruited to support the trial. This will allow the potential for further expansion to be evaluated at relatively low risk and cost.

The development of our people strategy continues with the recruitment of a People Director to the senior executive team. Plans are being developed so that we can focus closely on the development of our people, with clear career paths established so that staff who aspire to progress within the business have the scope and support to do so. Investment in staff training in the form of recruitment, induction, performance appraisal and performance management will be increased. Our customer insight project confirmed that excellent customer service is vitally important to our customers and will clearly differentiate us, particularly given our transition to a multi-channel shopping environment. We are also undertaking a review and redesign of remuneration to align potential reward with the achievement of our multichannel objectives which will drive business growth. This redesign will incorporate the introduction of the Living Wage in April 2016. Given the intended improvement in the design of our remuneration packages to reward improved performance, together with operational efficiencies, it is not expected that the introduction of the Living Wage will have a material impact in the short to medium term.

**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.*

FINANCIAL SUMMARY

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

Key financials **CONTINUING OPERATIONS**	**26 weeks to** **1 August 2015** **£'000**	26 weeks to 26 July 2014 £'000	53 weeks to 31 January 2015 £'000
Revenue			
Retail	**51,993**	47,208	98,449
Hire	**9,339**	8,562	16,279
Total revenue	**61,332**	55,770	114,728
Gross profit			
Retail	**29,060**	25,730	53,325
Hire	**7,812**	7,220	13,528
Total gross profit	**36,872**	32,950	66,853
Gross margin %			
Retail	***55.9%***	*54.5%*	*54.2%*
Hire	***83.6%***	*84.3%*	*83.1%*
Total	***60.1%***	*59.1%*	*58.3%*
Administrative expenses (*)	**(3,473)**	(2,993)	(5,701)
Shops' selling and marketing costs (*)	**(30,628)**	(28,029)	(56,409)
Operating profit	**2,771**	1,928	4,743
Other gains and losses	**3**	(27)	(17)
Investment revenues	**36**	53	99
Financial costs		-	(1)
Profit before taxation	**2,810**	1,954	4,824
EBITDA (**)	**6,187**	4,283	9,704

* 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 1.8 pence per share (HY1 2014: 1.7 pence per share) to be paid on 27 November 2015, to shareholders on the register on 30 October 2015 (ex dividend date 29 October 2015).

FINANCIAL POSITION

Net assets have decreased to £35.6m (26 July 2014: £36.1m).

The daily management of cash remains a focus. The underlying cash position at 1 August 2015 was £19.0m (26 July 2014: £22.8m). Net cash outflow for the six months ended 1 August 2015 was £0.6m. Dividends of £3.5m 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 £14.0m (26 July 2014: £15.1m) this decrease is due to a re-phasing of of Autumn/Winter stock intake in comparison to this time last year to better align product availability with customer demand.

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 1 AUGUST 2015

	26 weeks to 1 August 2015	26 weeks to 26 July 214	53 weeks to 31 January 2015
	Total	Total	Total
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
CONTINUING OPERATIONS			
Revenue	**61,332**	55,770	114,728
Cost of sales	**(24,460)**	(22,820)	(47,875)
Gross profit	**36,872**	32,950	66,853
Administrative expenses	**(3,471)**	(2,993)	(5,701)
Shops' selling and marketing costs	**(30,630)**	(28,029)	(56,409)
Operating profit	**2,771**	1,928	4,743
Other gains and losses	**3**	(27)	(17)
Investment revenues	**36**	53	99
Financial costs	**-**	-	(1)
Profit on ordinary activities before taxation	**2,810**	1,954	4,824
Taxation charge	**(659)**	(499)	(936)
Profit from continuing operations after taxation	**2,151**	1,455	3,888
Profit after taxation attributable to equity holders of the parent	**2,151**	1,455	3,888
Other comprehensive income			
Cash flow hedges			
Change in fair value of effective portion	**(613)**	90	835
	1,538	1,545	4,723
Earnings per share			
Basic – continuing	**2.19p**	1.51p	4.02p
Diluted – continuing	**2.07p**	1.42p	3.80p

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS TO 1 AUGUST 2015

26 Weeks ended 1 August 2015 (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 31 January 2015	5,040	8,673	1,224	(1,521)	691	23,347	37,454
Profit for the period	-	-	-	-	-	2,151	2,151
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	(613)	-	(613)
Total comprehensive income	-	-	-	-	(613)	2,151	1,538
Dividends paid	-	-	-	-	-	(3,511)	(3,511)
Issue of share capital	-	-	-	-	-	-	-
Credit to equity for equity settled share based payments	-	-	107	-	-	-	107
Exercise of shares held under option	-	-	(605)	-	-	605	-
Movement on deferred tax on share based payments	-	-	56	-	-	-	56
Sale of shares by employee benefit trust	-	-	-	605	-	(605)	-
Balance at 1 August 2015	**5,040**	**8,673**	**782**	**(916)**	**78**	**21,987**	**35,644**

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**

53 Weeks ended 31 January 2015 (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 2014	4,965	8,673	1,741	(1779)	(144)	25,543	38,999
Profit for the period	-	-	-	-	-	3,888	3,888
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	835	-	835
Total comprehensive income	-	-	-	-	835	3,888	4,723
Dividends paid	-	-	-	-	-	(6,222)	(6,222)
Issue of share capital	75	-	-	(75)	-	-	-
Credit to equity for equity settled share-based payments	-	-	226	-	-	-	226
Exercise of shares held under option	-	-	(471)	-	-	471	-
Movement on deferred tax on equity settled share-based payments	-	-	(272)	-	-	-	(272)
Sales of shares by employee benefit trust	-	-	-	333	-	(333)	-
Balance at 31 January 2015	**5,040**	**8,673**	**1,224**	**(1,521)**	**691**	**23,347**	**37,454**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 1 AUGUST 2015

	1 August 2015	26 July 2014	31 January 2015
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Intangible assets	**1,592**	1,977	1,979
Property, plant and equipment	**18,397**	13,269	14,741
Leasehold improvements	**933**	846	909
Deferred tax assets	**1,248**	1,420	1,277
Total non-current assets	**22,170**	17,512	18,906
Inventories	**14,015**	15,054	15,736
Trade and other receivables	**3,053**	3,489	3,560
Cash and cash equivalents	**19,026**	22,763	19,630
Derivative financial instruments	**45**	-	655
Total current assets	**36,139**	41,306	39,581
Total assets	**58,309**	58,818	58,487
Liabilities			
Trade and other payables	**15,024**	16,139	13,885
Provisions	**566**	298	692
Derivative financial instruments	**-**	100	-
Current tax liability	**576**	305	115
Total current liabilities	**16,166**	16,842	14,692
Other payables	**3,117**	1,771	2,819
Provisions	**1,403**	2,139	1,543
Deferred tax liabilities	**1,979**	1,979	1,979
Total non-current liabilities	**6,499**	5,889	6,341
Total liabilities	**22,665**	22,731	21,033
Net assets	**35,644**	36,087	37,454
Equity			
Issued capital	**5,040**	5,040	5,040
Share premium account	**8,673**	8,673	8,673
Share based payments	**782**	1,381	1.224
Employee benefit trust	**(916)**	(1,521)	(1,521)
Hedging reserve	**78**	(54)	691
Retained earnings	**21,987**	22,568	23,347
Equity attributable to equity holders of parent	**35,644**	36,087	37,454

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 26 WEEKS TO 1 AUGUST 2015

	26 weeks to 1 August 2015 £'000 (Unaudited)	26 weeks to 26 July 2014 £'000 (Unaudited)	53 weeks to 31 January 2015 £'000 (Audited)
Operating activities			
Profit after taxation	**2,151**	1,454	3,888
Adjustments for:			
Taxation charge	**659**	499	936
Other gains and losses	**(3)**	27	17
Investment revenues	**(36)**	(53)	(99)
Net finance costs	**-**	-	1
Amortisation of intangible assets	**787**	412	836
Depreciation of property, plant and equipment	**2,731**	2,045	4,333
Amortisation of compulsory purchase compensation	**(102)**	(102)	(208)
Loss on disposal of property, plant and equipment	**58**	-	286
(Increase)/Decrease in inventories	**1,721**	(1,597)	(2,279)
Decrease / (increase) in receivables	**507**	949	878
Increase / (decrease) in payables	**666**	1,357	238
(Decrease) in provisions	**(266)**	(658)	(860)
Share-based payments expense	**186**	361	306
Taxation received / (paid)	**(115)**	(2,361)	(3,035)
Net cash from operating activities	**8,944**	2,333	5,238
Investing activities			
Interest received	**36**	53	98
Purchase of intangible assets	**(401)**	(511)	(937)
Purchase of property, plant and equipment	**(6,277)**	(3,198)	(7,201)
Net cash used in investing activities	**(6,642)**	(3,656)	(8,040)
Financing activities			
Dividends paid	**(3,511)**	(4,568)	(6,222)
Proceeds from the issue of shares	**-**	75	75
Sale of shares by employee benefit trust	**605**	258	258
Net cash used in financing activities	**(2,906)**	(4,235)	(5,889)
Net (decrease)/increase in cash and cash equivalents	**(604)**	(5,558)	(8,691)
Cash and cash equivalents at beginning of period	**19,630**	28,321	28,321
Cash and cash equivalents at end of period	**19,026**	22,763	19,630

NOTES TO THE CONDENSED SET OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS TO 1 AUGUST 2015

1. GENERAL INFORMATION

The results for the 26 weeks ended 1 August 2015 and 26 July 2014 are neither audited nor reviewed by the Group's auditor.

The information for the 53 weeks ended 31 January 2015 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 53 weeks ended 31 January 2015.

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 53 weeks ended 31 January 2015, 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 implemented a number of initiatives to improve levels of customer service in the last 12 months.
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 increase in trade through e-commerce and the market trend on moving to a fully multichannel operation, the risk has increased during the period.
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 period with the progression of the store redevelopment programme and improvement in retail operations standards.

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. The introduction of the Living Wage in 2016 could lead to higher employment costs	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 a significant proportion of the foreign exchange risk from such direct sourcing arrangements. Management closely monitor the effectiveness of these arrangements. A people strategy is being developed and implemented to ensure a skilled and engaged work force. Part of this will be reward and remuneration strategy that delivers improved efficiency.	The risk is ongoing however is continually monitored and addressed. The Living Wage was announced in 2015
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 were upgraded in 2014.	With new and increased operating pressures on the DC through multi-channel, the reliance and consequent exposure to risk of the DC failing has marginally increased during the period.
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 and will be completed by February 2016.
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 23.5% (26 July 2014: 25.5%; 31 January 2015: 19.4%), representing the expected average annual effective tax rate for the full year, applied to the pre-tax income of the 26 week period.

5. EARNINGS PER SHARE

Basic earnings per ordinary share is based on the weighted average of 98,134,471 (26 July 2014: 96,206,285; 31 January 2015: 96,760,838) ordinary shares in issue during the period after deducting for shares held by the Employee Benefit Trust and are calculated by reference to the profit attributable to shareholders of £2,151,000 (26 July 2014: £1,455,000; 31 January 2015: £3,888,000).

Diluted earnings per ordinary share is based upon the weighted average of 103,733,646 (26 July 2014: 102,142,420; 31 January 2015: 102,254,592) ordinary shares, which will include the effects of share options, SAYE and shares under the LTIP of 5,599,175 (26 July 2014: 5,195,557; 31 January 2015: 5,493,754), 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 1 August 2015 Pence	26 weeks to 26 July 2014 Pence	53 weeks to 31 January 2015 pence
Total (continuing operations)	**2.19**	1.51	4.02
Continuing operations basic earnings per share	**2.19**	1.51	4.02

Diluted earnings per share	26 weeks to 1 August 2015 Pence	26 weeks to 26 July 2014 Pence	53 weeks to 31 January 2015 pence
Total (continuing operations)	**2.07**	1.42	3.80
Continuing operations basic earnings per share	**2.07**	1.42	3.80

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 1 August 2015	26 weeks to 26 July 2014	53 weeks to 31 January 2015
Profit before tax	**2,810**	1,954	4,824
Deduct:			
Investment revenues	**(36)**	(53)	(99)
Financial costs	**-**	-	1
Add:			
Depreciation of property, plant and equipment	**2,731**	2,045	4,333
Amortisation of intangible assets	**787**	412	836
Amortisation of compulsory purchase compensation	**(102)**	(102)	(208)
Other gains and losses	**(3)**	27	17
EBITDA	**6,187**	4,283	9,704

7. DIVIDENDS

The directors have declared an interim dividend of 1.8 pence per share (HY1 2014: 1.7 pence per share) payable on 27 November 2015 to shareholders on the register on 30 October 2015 with an ex dividend date of 29 October 2015.

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 1 August 2015 the balance due from White Stuff was £3,751 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 1 August 2015, under the same 2009/10 LTIP scheme, 837,102 shares were awarded to senior employees on 14 April 2015 and 05 May 2015. 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 1 August 2015, a further grant was made.

The amount recorded in the income statement for share based payments under IFRS2 in the period to 1 August 2015 was £186,000 (26 July 2014: £194,000; 31 January 2015: £306,000).

A deferred tax adjustment was recorded in the share-based payment reserve of £56,000 credit in the period to 1 August 2015 (26 July 2014: £83,000 debit; 31 January 2015: £272,000 debit).

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).