

MOSS BROS GROUP PLC
TRADING UPDATE
CONTINUED GROWTH ACHIEVED

Moss Bros Group PLC (“the Group”) today issues its Trading Update for the 23 week period from 2 August 2015 to 9 January 2016.

The Group has continued to make good progress and is trading in line with market expectations.

Highlights:

- Like for like sales for the first 23 weeks of the second half were up 4.2% on last year.
- Total sales for the 23 weeks to 9 January were 4.8% ahead of last year.
- Retail sales, comprising 86% of Group revenue, continued to benefit from the increasing number of refitted stores now trading, and the more authoritative brand and price proposition. Total retail sales were up 3.5% on a like for like basis in the period under review.
- Hire sales increased by 9.5% on a like for like basis. They continued to show good growth on the prior year, with a successful eveningwear season maintaining the momentum achieved in the first half of the year.
- Overall gross margins for the half year to date improved by 2.8 percentage points above last year, a further improvement on the 1.0 percentage point increase achieved in the first half. The improvement is largely due to an improvement in retail gross margins which have benefited from the continued focus on more coordinated and better targeted promotions, particularly during the Black Friday period, and despite unseasonably warm Autumn weather.
- E-commerce sales were up 32.7% on last year in the 49 weeks to 9 January. Our mobile and tablet sites continue to grow strongly. We continue to see good growth and e-commerce sales now comprise 10% of group revenue.
- Four new stores have been opened and eight closed in the year to date. The total estate is now 126 outlets.
- 21 stores were refitted during 2015/16. 81 stores currently trade in the new shop format, with plans to refit a further 20 stores in 2016/17. Refitted stores continue to achieve the turnover increases expected.
- Stock levels remain under close control with residual stocks having been cleared.
- The group has again maintained a healthy cash balance throughout the period and expects to end the 2015/16 year with net cash of £17.0m (£19.6m as at 31 January 2015)
- The business continues to make good progress and the Board remains confident in the outlook for the full year.

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

“We are pleased with the progress of our promotional strategy, with fully coordinated and better targeted offers in our retail business. This has allowed more consistent full price trading, particularly through the Black Friday trading period, with gross margins showing a sustained improvement as a consequence. This is despite a challenging Autumn trading environment, with unseasonably warm weather conditions.

Hire has shown continued strong growth on the prior year, with notable success in eveningwear.

We continue to develop the business by leveraging the strength of our brands and our operational capabilities and are pleased to report improved sales, margins and profits compared to the prior year, all of which are supported by a strong balance sheet. This is enabling us to continue to invest in the business, and to maintain a progressive dividend policy.

The Board remains confident in the outlook for the full year.”

The Group will announce its Preliminary Results on 5 April 2016.

For further information please contact:

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