MOSS BROS.

GROUP PLC

TRADING UPDATE

CONTINUED STRONG PROGRESS

Moss Bros Group PLC ("the Group") today issues its Trading Update for the 23 week period from 31 July 2016 to 7 January 2017.

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 6.1% on last year.

- Total sales for the 23 weeks to 7 January were 7.6% ahead of last year.

- Retail sales, including e-commerce comprised 90% of Group revenue during the 23 week period (87% Year to Date) and continued to benefit from the increasing number of refitted stores and more authoritative brand proposition. Total retail sales were up 6.8% on a like for like basis in the period under review.

- E-commerce sales for the 23 weeks to 7 January were up 24.9% on last year. Our online business benefitted from the investment in 'back-end' systems and processes made during the first half and the improvements seen enabled us to drive top line sales during the second half and make progress in delivering a higher level of customer service. E-commerce sales comprised over 11% of group revenue during the period.

- Hire sales increased by 0.7% on a like for like basis during the period. Hire as a proportion of total sales declined during the second half of the year. Eveningwear was the main driver of Hire sales volume during the period.

- Overall, gross margins for the half year to date improved by 1.4% on last year, a further improvement on the 1.8% increase achieved during the first half. This is largely due to the ongoing improvement in retail gross margins from a more carefully targeted promotional programme, as well as intake margin improvement. The improvement seen during the year to date began to annualise during the fourth quarter of FY16/17.

- Seven new stores have been opened and three closed in the year to date. The total estate is now 128 outlets.

- 11 stores were refitted during the financial year so far. 97 new and refitted stores currently trade in the new format, with plans to refit a similar number (11) during FY17/18. Refitted stores continue to achieve the turnover increases expected.

- Stock levels remain under close control with residual stocks having been cleared.

- The Group continues to maintain a healthy cash balance as it is strongly cash generative and expects to end the 2016/17 year with net cash of £19.5m (£17.3m as at 30 January 2016).

- The business, both instore and online, continues to make very 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 very pleased with the performance of the business. Ongoing investment in new and refitted stores, alongside improved omni-channel capabilities have enabled us to continue the progress we made in the first half of the year.

A more co-ordinated approach to our programme of offers and promotions, along with the ongoing development of our own label product ranges has driven continued margin improvements across all channels during the 23 weeks under review. This margin improvement started to annualise during Q4 of the current financial year.

The improvement in sales, margins and profits compared with the prior year, all continue to be supported by a strong balance sheet and a progressive dividend policy.

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

In common with many UK retailers, the year ahead looks set to be a challenging one, not least the uncertain consumer environment, wider political backdrop and higher input costs; in product from a weaker pound, business rates and employee costs; we are therefore preparing the company for a more competitive trading environment and we are planning and deploying our resources accordingly, ensuring that we continue to protect the investment we are making in building and sustaining growth."

The Group will announce its Preliminary Results on 28 March 2017.

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