MOSS BROS GROUP PLC
HALF YEARLY FINANCIAL REPORT
For the six months to 30 July 2011

Moss Bros Group PLC ("the Group"), the UK's No 1 Branded Suit Specialist, is today publishing its Half Yearly Financial Report, covering the period from 30 January 2011 to 30 July 2011.

The Group's trading performance is currently ahead of the Board's expectations and although mindful of the fragile economy, the business is on course to deliver better than anticipated levels of growth by the year end.

HIGHLIGHTS

Financial

- Like for like* sales, including vat, up 15.4%.
- Continuing operations pre-tax profit ahead of expectations, at £2.2m, (2010: loss of £2.8m). This is after crediting £0.7m (2010: £0.7m) in respect of deferred income held on hire deposits in the period.
- Continuing operations EBITDA** of £4.2m, (2010: negative £0.2m), due to improving sales and reduced Head Office costs.
- Gross margin from continuing operations up 2.7 percentage points to 62.6%, compared with the same period last year.
- Total net stock at £11.6m (2010: £9.4m (excluding Hugo Boss and Cecil Gee)) increased in line with sales and reflected the correction of stock shortages experienced last year. Residual Spring stocks have been successfully cleared.
- Strong cash balance of £15.4m (2010: £4.5m), reflecting receipt of proceeds relating to the successful disposal of the non-core 15 Hugo Boss franchised stores and 8 Cecil Gee stores.

Operational

- Record sales for Moss Bros Hire in the period, which reaped the benefits of the new Hire distribution system that was fully implemented last year, and continued investment in stock.
- Successful disposal of the Hugo Boss and Cecil Gee businesses, creating a simpler operating model, with management focus on the core Moss brand. This means the profitability of the business will, in future, be weighted towards the first half of the financial year, being the period during which the Hire business generates two thirds of its annual sales.
- Successful pilot of the new look Moss store at Canary Wharf, where for the first time, the core Hire, Retail and Bespoke fascias are presented together in one store. The pilot was delivered on time, on budget and has so far traded well and achieved anticipated sales targets.
- Planning phase to develop and refine the key design principles of the Canary Wharf pilot store, to modernise the wider Moss store portfolio continues.
- Project commenced to develop our multi-channel strategy, including a fully integrated e-commerce offering for Moss Hire, Retail and Bespoke.

Current Trading

- Trading in the 8 weeks to 24 September has continued to be encouraging. Like for like* sales continue to be strong, although the gross margin has been affected by rising raw material prices. Like for like cash gross profit in the 8 weeks to 24 September is 10% ahead of last year.
- With the continued strong trading performance to date, the Board, although mindful of the fragile external trading environment, nonetheless anticipates that the outturn for the full year will be ahead of previous management expectations.

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

"Whilst the economy has not materially picked up, the Group has traded well ahead of last year across both hire and retail in the first six months of the year. This trend has continued into the second half, albeit at a lower level than the first half due to strengthening comparatives.

We continue to make good progress on our strategic priorities of focusing investment on the look and product mix of the core Moss stores, planning our integrated e-commerce offering and exploring ways of leveraging our customer data, whilst at the same time applying careful management of our costs, to ensure we have resilience in the event that there is a further downturn in consumer spending.

The early response to the Autumn/Winter range is positive, with like for like* sales continuing to improve year on year although gross margins are being impacted by increasing raw material prices. Despite challenging economic conditions and increasingly tough comparatives in the balance of the year, we remain confident in our strategy and ability to drive profitable growth. We will continue to invest to consolidate our position as the UK's number 1 branded suit specialist."

*Like for like represents financial information for stores open during the current and prior financial periods and compares 26 weeks against 26 weeks.

** EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items on continuing activities, and excludes the profit on disposal of discontinued operations.

For further information please contact:

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Brian Brick, Chief Executive Officer

Robin Piggott, Finance Director

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Charles Ryland/Nicola Cronk

INTERIM MANAGEMENT REPORT 2011

FOR THE SIX MONTHS TO 30 JULY 2011

To the shareholders of Moss Bros Group PLC

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.

OVERVIEW

Moss Bros Group PLC ("the Group") retails and hires formal wear and fashion products for men, predominantly in the UK. The Group retails menswear through the Moss fascia and hires formal wear under the Moss Bros Hire brand through its mainstream stores.

The Group's vision is to be the UK's No.1 suit specialist for hire, buy and bespoke.

REVIEW OF THE FIRST HALF

The profit before tax and exceptional items for the first half of £2.2m (2010: loss of £2.8m) includes a credit of £0.7m (2010: £0.7m) arising from the seasonal fluctuation in the value of hire deposits held during the period, and a credit of £0.3m in respect of the release of onerous lease provisions in the period. It is expected that the timing difference relating to hire deposits will unwind by the January 2012 year end, leaving a minimal impact on the full year results.

The operating profit in the six months to 30 July 2011 was £2.2m, £5.0m higher than the comparative period in 2010.

As previously announced, we disposed of the non-core Hugo Boss (15 stores) and Cecil Gee (8 stores) businesses in the first half for a combined cash consideration of £19.8m, generating a profit on sale of £8.0m. The Hugo Boss disposal completed on 31 March 2011 and the Cecil Gee disposal on 18 June 2011. Of the £18.2m Boss consideration, £12.3m was deferred, dependent on successful assignment of leases. As at 24 September, £8.0m of the £12.3m had been received with the balance expected to be received by 31 October 2011. The Cecil Gee consideration was received in full on the completion date. All Hugo Boss and Cecil Gee leases disposed are guaranteed by the purchasers' parent company.

A consequence of the disposals of Hugo Boss and Cecil Gee, for which Christmas is an important peak trading period, is that the profitability of the core Moss business will, in future, be weighted towards the first half of the financial year, being the period during which the high margin Hire business generates two thirds of its annual sales.

Trading performance

The Group traded strongly in the first half with sales and gross margins comfortably ahead of last year.

Total continuing revenue excluding VAT has increased by 17.3% in the six months to 29 July 2011 compared with the comparative period in 2010. Like for like* retail sales performed well, increasing by 16.3%. Moss Bros Hire maintains its position as the leading brand name in formal hire and recorded a like for like* sales increase of 12.4%. Overall like for like* sales were up 15.4% in the first half.

Gross margin increased by 2.7% in the first six months. An improved product mix meant faster sell through rates and lower end of season mark downs, whilst greater breadth of brands led to higher average transaction values.

Cost control remained an important factor with all expenditure carefully planned and monitored. An additional charge of £0.8m was made in the half to reflect the anticipated earlier vesting of the 2009 LTIP award, and the triggering of performance related staff bonuses. The total charge over the life of the LTIP is unchanged. New store operating costs amounted to £1.1m in the half. The rate of cost savings in the second half are expected to diminish as savings made last year annualise and raw material price increases impact.

The new store in Canary Wharf has traded well since opening in May 2011 and has provided useful feedback for the future development of the store fit. New openings in the second half in Bluewater, Liffey Valley and Meadowhall will incorporate further improvements. A number of existing stores have been identified for refit in the next six months so that the new concept can be adapted for ease of rollout, and the commercial benefits of the refit fully assessed.

An 18 month project has commenced to implement our multi-channel strategy, including a fully integrated e-commerce offering for Moss Hire, Retail and Bespoke, incorporating “click and collect” capability. This will allow pro-active marketing across existing hire, buy and bespoke customer groups, and will be centred on a fully integrated stock and customer data base. It is anticipated that the project will take 18 months to complete and will involve a capital investment in systems of £1.2m during that period. Internet sales currently account for only 1% of total sales and we believe there is significant scope to grow sales and profits in this area.

*Like for like represents sales including VAT for stores open throughout the current and prior financial periods and compares 26 weeks against 26 weeks.

FINANCIAL SUMMARY

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

Key financials **CONTINUING OPERATIONS**	**26 weeks to** **30 July 2011** **£'000**	26 weeks to 31 July 2010** Re-presented* £'000	52 weeks to 29 January 2011 Re-presented* £'000
Revenue			
Retail	**40,855**	34,162	72,304
Hire	**10,978**	10,022	15,479
Total revenue	**51,833**	44,184	87,783
Gross profit			
Retail	**23,493**	18,937	40,865
Hire	**8,932**	7,497	10,688
Total gross profit	**32,425**	26,434	51,553
Administrative expenses (1)	**(3,429)**	(2,885)	(6,483)
Shops' selling and marketing costs (1)	**(26,840)**	(26,363)	(53,957)
Operating profit / (loss)	**2,156**	(2,814)	(8,887)
Investment revenues	**17**	1	1
Financial costs	**(17)**	(3)	(47)
Profit / (loss) before taxation	**2,156**	(2,816)	(8,933)
EBITDA (2)	**4,183**	(182)	36

(1) Administrative expenses and shops' selling and marketing costs are not analysed between Retail and Hire.
(2) EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items on continuing activities, and excludes the profit on disposal of discontinued operations.
* See note 2 for details of re-presentation.
** See note 8 for details of restatement applied to the Condensed Consolidated Statement of Comprehensive Income for the 26 week period ended 31 July 2010.

DIVIDEND AND DIVIDEND POLICY

The Board, in line with its policy, is recommending that no interim dividend is paid (2010: £nil) in order to conserve cash and maintain a strong balance sheet. It is the Board's intention to review the dividend position in March 2012 in light of the trading and financial performance of the business over the remainder of the financial year.

FINANCIAL POSITION

Net assets have increased by 30.6% to £35.1m (29 January 2011: £26.9m).

The daily management of cash remains a focus. The underlying cash position at 30 July 2011 was £15.4m, £10.8m higher than at the same time in 2010 (29 January 2011: £6.9m) reflecting receipt of proceeds relating to the successful disposal of the 15 Hugo Boss franchised stores and 8 Cecil Gee stores.

The Group continues to meet its day to day working capital requirements through surplus cash balances. Current economic conditions will create uncertainty, particularly over the level of demand for the Group's products. However, despite this uncertainty, the Board has concluded, in light of detailed cash flow projections, taking account of reasonably possible changes in trading performance, in addition to the level of cash in the business that the Group has adequate resources to continue in operational existence for the foreseeable future.

Total net stock (excluding Hugo Boss and Cecil Gee) at £11.6m (2010: £9.4m) increased in line with sales and reflecting the stock shortages experienced last year. Residual Spring stocks have been successfully cleared.

CASH FLOW

Net cash inflow for the six months ended 30 July 2011 was £8.4m, £10.2m better than the comparative period in 2010. The disposal of the Hugo Boss and Cecil Gee businesses and improved trading was partially offset by increased investment in stock. No dividends being paid during the period (2010: £nil).

BOARD CHANGES

Mark Bernstein and Tony Bogod stood down from the Board at the company's Annual general Meeting in May 2011. Bryan Portman joined the Board on 1 July 2011 and chairs the Audit Committee and serves on the Remuneration and Nomination Committees.

RELATED PARTY TRANSACTIONS

Berwin & Berwin Limited, a key supplier, is considered a related party of the Group because a Non Executive Director of Moss Bros Group PLC, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. All transactions have been carried out at arm's length as disclosed in note 9 to the condensed set of interim financial statements.

On 22 December 2010, Moss Bros Group PLC entered into a short term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow. Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick is a beneficiary of the pension fund. The company intends to take a long term lease in financial year 28 January 2012 on arm's length terms.

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. With the exception of cash and funding, the Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 29 January 2011, which are summarised below:

CASH AND FUNDING

With the improvement in trading and the receipt of the proceeds of the Hugo Boss and Cecil Gee disposals the Group has developed a strong balance sheet and is well placed to invest in the business without the need for bank funding.

INVENTORY AND PROPERTY

Demand forecasting, inventory ordering and inventory intake are aligned with the cash management focus discussed above. The placing of all orders is subject to diligent product demand forecasting models and ongoing rates of sale of all product lines. Autumn/Winter product has been phased to arrive earlier compared with the prior year and this is underpinning continued positive like for like* sales growth.

The business operates from a portfolio of high street, shopping centre and factory outlet stores all held under operating leases. Each store is evaluated annually to assess its ongoing commercial viability. In the current macro environment, even more stringent and enhanced financial hurdles are required to be met before any consideration is given to new stores.

STAFF HIRING AND RETENTION

The Group has a reputation of attracting some of the best talent in menswear and tries to ensure that it not only maintains this attraction but also retains this talent. There is a strong capability, passion and drive at all levels in the business to ensure that the Group will come out of the current tough economic conditions ideally placed to take full advantage of a recovery in the economy.

OUTLOOK

Trading in the first eight weeks of the second half has been encouraging, with like for like* sales growth and achieved gross profit ahead of the prior year.

Moss Bros Group PLC
8 St. John’s Hill
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By Order of the Board,

Brian Brick	Robin Piggott
Chief Executive Officer	Finance Director and Company Secretary

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS TO 30 JULY 2011

	26 weeks to 30 July 2011			26 weeks to 31 July 2010	52 weeks to 29 January 2011		
	Underlying	**Exceptional items**	**Total**	Total**	Underlying	Exceptional items	Total
	£'000	**£'000**	**£'000**	£'000 Re-presented*	£'000 Re-presented*	£'000 Re-presented*	£'000 Re-presented*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Audited)	(Audited)	(Audited)
CONTINUING OPERATIONS		Note 10					
Revenue	**51,833**	**-**	**51,833**	44,184	87,783	-	87,783
Cost of sales	**(19,408)**	**-**	**(19,408)**	(17,750)	(36,230)	-	(36,230)
Gross profit	**32,425**	**-**	**32,425**	26,434	51,553	-	51,553
Administrative expenses	**(3,429)**	**-**	**(3,429)**	(2,885)	(6,095)	(388)	(6,483)
Shops' selling and marketing costs	**(26,840)**	**-**	**(26,840)**	(26,363)	(51,229)	(2,728)	(53,957)
Operating profit / (loss)	**2,156**	**-**	**2,156**	(2,814)	(5,771)	(3,116)	(8,887)
Investment revenues	**17**	**-**	**17**	1	1	-	1
Financial costs	**(17)**	**-**	**(17)**	(3)	(47)	-	(47)
Profit / (loss) on ordinary activities before taxation	**2,156**	**-**	**2,156**	(2,816)	(5,817)	(3,116)	(8,933)
Taxation	**-**	**-**	**-**	-	1,781	682	2,463
Profit / (loss) from continuing operations after taxation	**2,156**	**-**	**2,156**	(2,816)	(4,036)	(2,434)	(6,470)
DISONTINUED OPERATIONS							
Profit / (loss) after tax from discontinued operations	**5**	**5,930**	**5,935**	172	2,233	(1,381)	852
Profit / (loss) after taxation attributable to equity holders of the parent	**2,161**	**5,930**	**8,091**	(2,644)	(1,803)	(3,815)	(5,618)
Earnings / (loss) per share (pence)							
Basic – total			**8.56p**	(2.80)p			(5.94)p
Diluted – total			**7.96p**	(2.80)p			(5.94)p
Basic – continuing			**2.28p**	(2.98)p			(6.84)p
Diluted – continuing			**2.12p**	(2.98)p			(6.84)p
Underlying earnings / (loss) per share (pence)							
Basic – continuing operations	**2.28p**			(2.98)p	(4.27)p		
Diluted – continuing operations	**2.12p**			(2.98)p	(4.27)p		

There are no other items of comprehensive income in either period other than the profit / (loss) for the period.

*See note 2 for details of re-presentation.

**In the prior year 26 week period ended 31 July 2010, there were no exceptional items. See note 8 for details of restatement applied to the Condensed Consolidated Statement of Comprehensive Income for 26 week period ended 31 July 2010.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS TO 30 JULY 2011

26 Weeks ended 30 July 2011 (Unaudited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Own shares held £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 30 January 2011	4,727	8,673	387	(218)	13,302	26,871
Profit for the period	-	-	-	-	8,091	8,091
Credit to equity for share based payments	-	-	547	-	-	547
Own shares purchased	-	-		(415)	-	(415)
Balance at 30 July 2011	**4,727**	**8,673**	**934**	**(633)**	**21,393**	**35,094**

26 Weeks ended 31 July 2010 (Unaudited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Own shares held £'000**	**Retained earnings** £'000**	**Total equity** £'000**
Balance at 1 February 2010 as originally stated	4,727	8,673	110	(218)	20,431	33,723
Effect of restatement	-	-	-	-	(1,511)	(1,511)
Balance at 1 February 2010	4,727	8,673	110	(218)	18,920	32,212
Loss for the period	-	-	-	-	(2,644)	(2,644)
Credit to equity for share based payments	-	-	191	-	-	191
Balance at 31 July 2010	4,727	8,673	301	(218)	16,276	29,759

52 Weeks ended 29 January 2011 (Audited)	**Share capital £'000**	**Share premium account £'000**	**Share based payments £'000**	**Own shares held £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 February 2010	4,727	8,673	110	(218)	18,920	32,212
Loss for the year	-	-	-	-	(5,618)	(5,618)
Credit to equity for share based payments	-	-	277	-	-	277
Balance at 29 January 2011	4,727	8,673	387	(218)	13,302	26,871

** See note 8 for details of restatement applied to the Condensed Consolidated Statement of Comprehensive Income for 26 week period ended 31 July 2010 and the Condensed Consolidated Statement of Financial Position as at 31 July 2010.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JULY 2011

	As at 30 July 2011 £'000 (Unaudited)	As at 31 July 2010 ** £'000 (Unaudited)	As at 29 January 2011 £'000 (Audited)
Assets			
Intangible assets	**1,078**	1,459	1,276
Property, plant and equipment	**13,028**	20,137	17,809
Lease improvements	**923**	2,776	2,231
Total non-current assets	**15,029**	24,372	21,316
Inventories	**11,640**	17,098	18,928
Trade and other receivables	**4,522**	5,250	5,907
Deferred consideration on disposals	**9,789**	-	-
Cash and cash equivalents	**15,374**	4,536	6,936
Total current assets	**41,325**	26,884	31,771
Total assets	**56,354**	51,256	53,087
Liabilities			
Trade and other payables	**14,933**	15,924	19,667
Current tax liability	**10**	21	10
Provisions	**631**	-	1,205
Total current liabilities	**15,574**	15,945	20,882
Other payables	**1,427**	2,895	2,732
Deferred tax liabilities	**2,865**	2,657	800
Provisions	**1,394**	-	1,802
Total non-current liabilities	**5,686**	5,552	5,334
Total liabilities	**21,260**	21,497	26,216
Net assets	**35,094**	29,759	26,871
Equity			
Issued capital	**4,727**	4,727	4,727
Share premium account	**8,673**	8,673	8,673
Share based payments	**934**	301	387
Own shares held	**(633)**	(218)	(218)
Retained earnings	**21,393**	16,276	13,302
Equity attributable to equity holders of parent	**35,094**	29,759	26,871

** See note 8 for details of restatement applied to the Condensed Consolidated Statement of Financial Position as at 31 July 2010.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS TO 30 JULY 2011

	26 weeks to 30 July 2011 £'000 (Unaudited)	26 weeks to 31 July 2010 ** £'000 (Unaudited)	52 weeks to 29 January 2011 £'000 (Audited)
Cash flows from operating activities			
Profit / (loss) after taxation	**8,091**	(2,644)	(5,618)
Adjustments for:			
Taxation charge / (credit)	**2,065**	-	(1,886)
Net finance costs	**-**	2	46
Amortisation of intangible assets	**296**	334	506
Depreciation of property, plant and equipment	**1,731**	3,136	6,666
Impairment of property, plant and equipment	**-**	-	901
Loss on disposal of property, plant and equipment	**14**	4	633
Gain on disposal of discontinued operations	**(7,995)**	-	-
Increase in inventories	**(550)**	(173)	(2,003)
Decrease / (increase) in receivables	**1,385**	(170)	(125)
(Decrease) / increase in payables	**(4,558)**	306	3,185
(Decrease) / increase in provisions	**(346)**	-	3,007
Share-based payments expense	**547**	191	277
Taxation received	**-**	-	17
Net cash from operating activities	**680**	986	5,606
Cash flows from investing activities			
Net finance costs	**-**	(2)	(46)
Purchase of intangible assets	**(114)**	(184)	(173)
Purchase of property, plant and equipment	**(1,195)**	(2,545)	(4,776)
Proceeds on disposal of property, plant and equipment	**25**	2	46
Net proceeds on disposal of discontinued operations	**9,456**	-	-
Net cash used in investing activities	**8,172**	(2,729)	(4,949)
Cash flows from financing activities			
Dividends paid	**-**	-	-
Proceeds from the issue of share capital	**-**	-	-
Purchase of own shares	(414)	-	-
Net cash from financing activities	**(414)**	-	-
Cash and cash equivalents at beginning of period	**6,936**	6,279	6,279
Net increase / (decrease) in cash and cash equivalents	**8,438**	(1,743)	657
Cash and cash equivalents at end of period	**15,374**	4,536	6,936

** See note 8 for details of restatement applied to the Condensed Consolidated Statement of Comprehensive Income for 26 week period ended 31 July 2010 and the Condensed Consolidated Statement of Financial Position as at 31 July 2010.

NOTES TO THE CONDENSED CONSOLIDATED SET OF FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO 30 JULY 2011

1. GENERAL INFORMATION

The information for the year ended 29 January 2011 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 reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The results for the 26 weeks ended 30 July 2011 and 31 July 2010 are neither audited nor reviewed by the Group's auditor.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The annual financial statements of Moss Bros Group PLC are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

The comparative information has been re-presented to reflect the discontinued Hugo Boss and Cecil Gee operations as described in note 11.

GOING CONCERN

The Directors are satisfied that the Group and Company have sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.

The Directors believe the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 the condensed set of financial statements as applied in the Group's latest annual audited financial statements for the year ended 29 January 2011.

3. BUSINESS SEGMENTS

The majority of the Company's turnover arose in the United Kingdom, with the exception of one store 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 below.

The following is an analysis of the Group's revenue and gross profit for the Retail and Hire business in the 26 weeks ended 30 July 2011:

Key financials **CONTINUING OPERATIONS**	**26 weeks to** **30 July 2011** **£'000**	26 weeks to 31 July 2010 Re-presented* £'000	52 weeks to 29 January 2011 Re-presented* £'000
Revenue			
Retail	**40,855**	34,162	72,304
Hire	**10,978**	10,022	15,479
Total revenue	**51,833**	44,184	87,783
Gross profit			
Retail	**23,493**	18,937	40,865
Hire	**8,932**	7,497	10,688
Total gross profit	**32,425**	26,434	51,553
Administrative expenses	**(3,429)**	(2,885)	(6,483)
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Operating profit / (loss)	**2,156**	(2,814)	(8,887)
Investment revenues	**17**	1	1
Financial costs	**(17)**	(3)	(47)
Profit / (loss) before taxation	**2,156**	(2,816)	(8,933)

*See note 2 for details of re-presentation.

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 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.

4. TAX

Tax on continuing operations for the 26 week period is charged at 0.0% (six months ended 31 July 2010: 0.0%; year ended 29 January 2011: 27.6%), representing the expected of the average annual effective tax rate for the full year, applied to the pre-tax income of the six month period.

Tax on discontinued operations for the six month period is charged at 25.8% (six months ended 31 July 2010: 0.0%; year ended 29 January 2011: 40.4%), representing the estimated tax liability arising on pre-tax income in respect of discontinued operations.

5. EARNINGS PER SHARE

Basic earnings / (loss) per ordinary share is based on the weighted average of 94,530,752 (31 July 2010: 94,530,752; 29 January 2011: 94,530,752) ordinary shares in issue during the period and is calculated by reference to the profit / (loss) attributable to shareholders of £8,091,000 (31 July 2010: (£2,644,000); 29 January 2011: (£5,618,000)).

Diluted earnings per ordinary share is based upon the weighted average of 101,665,061 ordinary shares (94,530,752), share options and shares under the LTIP (6,493,100), and own shares held (641,209).

In the 26 weeks to 31 July 2010, the diluted loss per ordinary share is based upon the weighted average of 94,530,752 ordinary shares (29 January 2011: 94,530,752), which excludes the effects of share options and shares under the LTIP 9,623,497 (29 January 2011: 7,282,728) and own shares held 300,000 (29 January 2011: 300,000) that were anti-dilutive for the period presented but could dilute earnings per share in the future and are calculated by reference to the loss attributable to shareholders as stated above. In the prior periods the weighted average number of ordinary shares was not diluted, as per IAS 33 'Earnings per Share', as this would decrease the basic loss per share.

Basic earnings / (loss) per share	**26 weeks to 30 July 2011** **pence**	26 weeks to 31 July 2010 Re-presented* pence	52 weeks to 29 January 2011 Re-presented* pence
Total (continuing and discontinued operations)	**8.56**	(2.80)	(5.94)
Discontinued operations	**(6.28)**	(0.18)	(0.90)
Continuing operations	**2.28**	(2.98)	(6.84)
Exceptionals (net of tax)	**-**	-	2.57
Underlying basic earnings / (loss) per share	**2.28**	(2.98)	(4.27)

Diluted earnings / (loss) per share	**26 weeks to 30 July 2011** **Pence**	26 weeks to 31 July 2010 Re-presented* pence	52 weeks to 29 January 2011 Re-presented* pence
Total (continuing and discontinued operations)	**7.96**	(2.80)	(5.94)
Discontinued operations	**(5.84)**	(0.18)	(0.90)
Continuing operations	**2.12**	(2.98)	(6.84)
Exceptionals (net of tax)	**-**	-	2.57
Underlying diluted earnings / (loss) per share	**2.12**	(2.98)	(4.27)

*See note 2 for details of re-presentation.

6. BANK OVERDRAFTS AND LOANS

On 1 June 2010, the Group secured a £5.0m committed loan facility for the following 12 month period to 31 May 2011. In the current period, this loan facility was not renewed; as the consideration from Hugo Boss and Cecil Gee disposals gives the company a strong cash balance to self fund its working capital and investment requirements, without any external debt.

7. DIVIDENDS

The Directors have not declared an interim or final dividend in the current half year or the prior year.

8. PRIOR YEAR RESTATEMENT

The Consolidated Group Statement of Comprehensive Income for the 52 weeks ended 30 January 2010 and the Consolidated Statements of Financial Position as at 30 January 2010 and 31 January 2009 were previously restated in the Annual Report and Accounts 2010/11, to recognise deferred revenue in respect of hire sales at the point of the service is provided to the customer. The deferred revenue relates to deposits received from customers prior to the year end but where the related hire suits were not collected for use until after the year end. Previous to the Annual Report and Accounts 2010/11, the deposits were recorded as revenue when received from the customers and not when the hire was made, which was inconsistent with the Company's stated policy.

The adjustment for hire sales deposits is a timing difference which will unwind before the year end.

In accordance with the policy for hire sales, the results for the 26 week period ended 31 July 2010 have been restated in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Impact on comparative condensed consolidated statement of comprehensive income

	26 weeks to 31 July 2010 £'000
Increase in revenue	703
Decrease in loss before taxation	703

	26 weeks to 31 July 2010
Decrease in basic loss per share	0.74 pence
Decrease in diluted loss per share	0.74 pence

Impact on comparative consolidated statement of financial position

	26 weeks to 31 July 2010 £'000
Increase in deferred revenue	808

9. 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 these financial statements.

TRADING TRANSACTIONS

During the period, the Group entered into the following transactions with related parties who are not members of the Group:

Berwin & Berwin Limited	**26 weeks to 30 July 2011 £'000**	26 weeks to 31 July 2010 £'000	52 weeks to 29 January 2011 £'000
Total inventory purchases (excluding VAT)	**4,428**	3,188	6,679

Berwin & Berwin Limited, a key supplier, is considered a related party of the Group because a Non Executive Director (appointed 29 May 2009) of Moss Bros Group PLC, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. At 30 July 2011 the balance owed to Berwin & Berwin Limited was £594,000 (31 July 2010: £339,000, 29 January 2011: £606,000).

Purchases of goods from related parties were made on an arm's length basis, consistent with the previous terms.

On 13 September 2009 an agreement was made with Berwin Retail Limited, to supply hire to Berwin Retail Limited to be sold through their House of Fraser concessions. This agreement was terminated in the prior year by mutual accord with all stores closed by 29 January 2011. Berwin Retail Limited is considered a related party of the Group because Simon Berwin is a Non Executive Director of Moss Bros Group PLC, and is also the Managing Director and a significant shareholder of Berwin Retail Limited. There were no sales in the current period (31 July 2010: £154,000, 29 January 2011: £248,000). There was no outstanding liability with Berwin Retail Limited at 30 July 2011 (31 July 2010: asset £9,000, 29 January 2011: £nil).

During the current period, the Group purchased £6,000 (31 July 2010: £nil, 29 January 2011: £237,000) of inventory from Baumler AG. Baumler AG is considered a related party of the Group because on 2 December 2009, Berwin & Berwin Limited acquired Baumler AG under a joint venture. There was no outstanding liability with Baumler at 30 July 2011 (31 July 2010: £nil, 29 January 2011 £nil).

On 22 December 2010, Moss Bros Group PLC entered into a short term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow. Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick is a beneficiary of the pension fund. The company intends to take a long term lease in financial year ending 28 January 2012 on arm's length terms.

10. EXCEPTIONAL ITEMS

	26 weeks to 30 July 2011	26 weeks to 31 July 2010	52 weeks to 29 January 2011
	£'000	£'000	£'000
Administrative expenses			
CONTINUING OPERATIONS			
Costs arising from management restructuring – redundancy	-	-	(388)
	-	-	(388)
DISCONTINUED OPERATIONS			
Non contingent fees arising from the disposal of the Hugo Boss Franchise Business	-	-	(412)
	-	-	(412)
Shop selling and marketing costs			
CONTINUING OPERATIONS			
Costs arising from management restructuring – redundancy	-	-	(80)
Other property related losses			
-impairment of property, plant and equipment	-	-	(679)
-provision for onerous property lease contracts	-	-	(1,969)
	-	-	(2,728)
DISCONTINUED OPERATIONS			
Other property related losses			
-impairment of property, plant and equipment	-	-	(222)
-provision for onerous property lease contracts	-	-	(1,038)
	-	-	(1,260)
Other gains and losses			
CONTINUING OPERATIONS			
Profit on disposal of discontinued operations	**7,995**	-	-
	7,995	-	-
TOTAL EXCEPTIONAL ITEMS	**7,995**	-	(4,788)
Taxation (charge) / credit on exceptional items	**(2,065)**	-	973

11. DISCONTINUED OPERATIONS

Hugo Boss

Moss Bros Group PLC announced on 7 February 2011 that it had entered into a conditional sale and purchase agreement with Hugo Boss UK Limited, relating to the disposal of the Hugo Boss Franchised Business, for a cash consideration of £18.2m. The disposal constitutes a Class 1 transaction pursuant to Chapter 10 of the Listing Rules and was subsequently approved on 3 March 2011 by the shareholders of the Company at an Extraordinary General Meeting. The transfer of the business to Hugo Boss UK Limited took place on 31 March 2011. Up to 30 July 2011, £8.4m had been received from Hugo Boss UK Limited. A further £5.5m was received to the period 24 September 2011, leaving a balance outstanding o f £4.3m which is expected to be received in the second half of the year.

The proceeds from the disposal will provide the Company with funding to eliminate debt and invest in the core business.

The agreed sale and purchase agreement disposed of the 15 Hugo Boss branded retail stores in the UK, previously operated by the Company under the Franchise Agreement with Hugo Boss AG. Hugo Boss UK Limited acquired the business and assets of the Hugo Boss Franchised Business as a going concern, including all the leases, inventory and property, plant & equipment associated with the 15 Hugo Boss franchised stores. In addition all the employees who previously worked in the Hugo Boss franchised stores and those in the Head Office working directly on Hugo Boss Franchised Business, transferred across. The cash consideration of £16.5m was subject to subsequent adjustment upwards to £18.2m to reflect the amount of transferred inventory.

A profit of £8.4m arose on the disposal of the Hugo Boss Franchise Business, being the proceeds £18.2m less the carrying amount of the net assets attributable £9.4m and £0.4m associated legal and professional fees.

Cecil Gee

Moss Bros Group PLC announced on 20 June 2011, that, in line with its stated strategy of focusing on the core Moss business, it has disposed of 8 Cecil Gee stores to JD Sports Fashion plc, for a cash consideration of £1.7m which has now been fully paid. JD Sports Fashion plc acquired the business and assets of the 8 stores as a going concern and completion of the disposal took place on 18 June 2011. The Cecil Gee business comprised 9 menswear retail stores and the remaining store, Glasgow, will convert to a new format Moss store.

A loss of £0.38m arose on the disposal of the Cecil Gee business, being the proceeds £1.65m less the carrying amount of the net assets attributable £1.94m and £0.09m associated legal and professional fees.

11. DISCONTINUED OPERATIONS (CONTINUED)

The results of the discontinued operations of the Hugo Boss Franchise Business and Cecil Gee Business, which have been included in the consolidated income statement, were as follows:

	26 weeks to 30 July 2011			26 weeks to 31 July 2010			52 weeks To 29 January 2011		
	£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
UNDERLYING	**Hugo Boss**	**Cecil Gee**	**Total**	Hugo Boss	Cecil Gee	Total	Hugo Boss	Cecil Gee	Total
Revenue	**4,283**	**3,240**	**7,523**	16,464	5,647	22,111	36,831	11,822	48,653
Cost of sales	**(2,011)**	**(1,752)**	**(3,763)**	(8,226)	(3,227)	(11,453)	(18,069)	(6,513)	(24,582)
Gross profit	**2,272**	**1,488**	**3,760**	8,238	2,420	10,658	18,762	5,309	24,071
Shops' selling and marketing costs	**(2,083)**	**(1,672)**	**(3,755)**	(7,498)	(2,988)	(10,486)	(15,001)	(5,969)	(20,970)
Operating profit / (loss)	**189**	**(184)**	**5**	740	(568)	172	3,761	(660)	3,101
Investment revenues	**-**	**-**	**-**	-	-	-	-	-	-
Financial costs	-	-	-	-	-	-	-	-	-
Profit / (loss) before taxation	**189**	**(184)**	**5**	740	(568)	172	3,761	(660)	3,101
Taxation on underlying	**-**	**-**	**-**	-	-	-	(1,051)	183	(868)
Underlying profit / (loss) after taxation	**189**	**(184)**	**5**	**740**	**(568)**	**172**	2,710	(477)	2,233
EXCEPTIONALS									
Profit on disposal of discontinued operations	**8,373**	**(378)**	**7,995**	**-**	**-**	**-**	-	-	-
Taxation on profit on disposal of discontinued operations	**(2,065)**	**-**	**(2,065)**	**-**	**-**	**-**	-	-	-
Other exceptionals	**-**	**-**	**-**	**-**	**-**	**-**	(412)	(1,260)	(1,672)
Taxation on exceptionals	-	-	-	-	-	-	-	291	291
Exceptionals profit / (loss) after taxation	**6,308**	**(378)**	**5,930**	-	-	-	(412)	(969)	(1,381)
TOTAL PROFIT / (LOSS) AFTER TAXATION	**6,497**	**(562)**	**5,935**	740	(568)	172	2,298	(1,446)	852

12. SHARE BASED PAYMENTS

On 7 November 2009 a new Long Term Incentive Plan (LTIP) was approved and 6,681,160 shares were awarded to Directors and senior employees. Under the same 2009 LTIP, 497,660 shares were awarded to senior employees on 23 April 2010 and 453,207 shares were awarded to a Director on 8 October 2010. During the prior year ended 29 January 2011, 831,560 options lapsed as a Director and senior employees left the Group. There were no additional grants awarded or lapsed options in the 26 week period ended 30 July 2011.

12. SHARE BASED PAYMENTS (CONTINUED)

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 at grant is measured at grant date and recognised over the vesting period. The grants are accounted for in accordance with IFRS 2 'Share Based Payments'. The charge in the period to 29 July 2011 was £547,000 (31 July 2010: £191,000; 29 January 2011: £277,000). In the 26 weeks to 30 July 2011, the charge significantly increased to reflect the anticipated earlier vesting of the LTIP awards as management revised the estimated EBITDA forecast for 52 weeks to 28 January 2012.

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

13. HALF-YEARLY FINANCIAL REPORT

This half-yearly financial 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).

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a: the condensed set of financial statements has been prepared in accordance the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, or the undertakings included in the consolidation as required by DTR 4.2.4R;

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).

By Order of the Board,

Chief Executive Officer	Finance Director and Company Secretary
Brian Brick	Robin Piggott
26 September 2011	26 September 2011