For Immediate Release **28 September 2017**

MOSS BROS.

GROUP PLC

Half Yearly Results for the 26 weeks ended 29 July 2017

Continued Progress

Moss Bros Group PLC ("the Group"), the 'first choice for men's tailoring', today announces its half yearly results, covering the period from 29 January 2017 to 29 July 2017.

The Group's overall trading performance has continued to show improvement on the prior year, in line with the Board's expectations. Retail sales growth, including e-commerce, continues to underpin the positive performance.

Financial Highlights

- Total Group revenue, excluding VAT, was up 4.3% on the previous year to £66.6m.
- Group like-for-like* sales increased 2.8%
- Like-for-like* retail sales, including e-commerce were up 5.1%
- E-commerce retail sales for the first half grew 14.5% on the prior year and now represent 11.2% of total sales.
- Like for like* hire sales, which represent 12.8% of total sales in the half on a cash taken basis were -8.4% down.
- Retail gross margin was up 0.1% for the half despite having re-introduced a mid-season Sale in response to a much tougher trading environment during the earlier part of the season.
- Overall gross margins were down -0.7%, impacted by the hire sales reduction year on year where fixed depreciation costs relating to hire garments remain constant regardless of the level of sales.
- Operating profit was up 16.6% to £4.2m (HY1 2016 £3.6m)
- Similarly, pre-tax profit was up 15.7% to £4.2m (HY1 2016 £3.7m)
- Effective cash management ongoing, with cash balance of £21.5m at the end of the half (HY1 2016 £21.1m)
- In line with the progressive dividend policy, interim dividend increased by 6.3% to 2.03 pence per share (30 July 2016: 1.91 pence per share)

Operational Highlights

- Ongoing investment in our brand identity and continuing investment in our retail estate through our store opening and refit programmes delivered a strong platform from which to leverage our continually improving product offer.
- 4 new stores opened during the half, 2 were relocated and 2 closed. 129 stores were open and trading at 29 July 2017 (30 July 2016: 125 stores)
- E-commerce sales continue to grow alongside site visitor traffic, particularly on mobile devices.
- 'Tailor Me' custom tailoring service now an established part of the in-store offer.

Current trading

- Retail like-for-like* sales, including VAT, in the first 8 weeks to 23 September 2017 are up 3.5%.
- Hire like for like*, reported on a 'cash taken' basis, is -4.7% down in the first 8 weeks of the second half.
- Early responses to the Autumn/Winter 2017 range across Retail are positive
- The Group's trading performance continues in line with the Board's expectations.

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

"We are pleased with the performance of Moss Bros during the first half in what was a very tough trading environment. The early response to the 2017 Autumn/Winter ranges has been encouraging and we continue to see our retail like-for-like* sales improve.

We remain acutely aware that market conditions remain tough, with a highly competitive retail landscape set to continue alongside an unpredictable economic back-drop. There are significant cost headwinds, driven by National Living Wage, the Apprenticeship Levy and weaker sterling.

We remain agile in our trading approach, whilst continuing to invest wisely in our future growth.

The Group's trading performance continues in line with the Board's expectations.

I would like to thank all of our people for their continued dedication, hard work and contribution to delivering these results."

*Like-for-like (including VAT) represents financial information for e-commerce and 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 and Tailor Me sales are calculated on cash receipts in the period, before adjustment for the movement in the level of deposits held.

***EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items

<u>For further information please contact:</u>

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INTERIM MANAGEMENT REPORT
FOR THE 26 WEEKS TO 29 JULY 2017

OVERVIEW

Moss Bros Group PLC retails and hires formal wear and fashion products for men, predominantly in the UK, with retail sales comprising 87%, and Hire 13%, 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.

Sub brands of Moss London, Moss 1851 and Moss Esquire are now fully established. These 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.

The 'Tailor Me' personalisation service launched during 2016 is now available nationwide. It is a simplified set of bespoke options offering a custom made suit, ready for collection within 30 days of placing an order.

REVIEW OF THE FIRST HALF

Profit before tax from continuing operations for the six months to 29 July 2017 was £4.2m, a 16% increase on last year (HY1 2016: £3.7m) driven mainly by strong retail sales growth from both like-for-like* stores, new space and e-commerce underpinned by careful and targeted promotional activity.

The business performed well in the first half against strong comparatives last year and in one of the most competitive retail environments which we have seen for some time. Whilst confident in the value which our regular pricing architecture offers, we re-introduced the spring mid-season sale, ensuring that we were able to offer the best value possible to customers during the half.

Our store teams are increasingly focussed on offering solutions to customers for whatever their occasion or need, whether they choose to buy, hire or 'Tailor Me'. Whilst we cannot know for sure the original intention of customers coming to our stores, more customers are ultimately choosing to buy rather than hire their suits. This is in part reflected in the reduction in hire sales on a like-for-like* basis versus the previous year.

E-commerce continued to achieve strong growth on last year through an increase in visitor numbers. We continue to develop our online capabilities and are particularly conscious of addressing the increasing proportion of shoppers who visit our site via mobile devices.

Trading performance

Total revenue increased by 4.3% in the six months to 29 July 2017 to £66.6m (HY1 2016: £63.8m). Like for like* retail sales performed well, increasing by 5.1%. Moss Bros Hire, the leading brand name in formal hire, recorded a like for like* sales decrease of 8.4%, although the effect of a later Easter and our "£10 Deposit" offer are still yet to fully wash through as the Wedding season does not end fully until the end of September. Across the Group, total like for like* sales were up 2.8% in the first half.

Retail gross margin rate was up 0.1% for the half despite the re-introduction of a mid-season sale. Hire margin rates were 3.5% lower resulting from the fixed depreciation charges within the reduced volume of Hire orders placed. Overall gross margin rate was 0.7% lower at 61.2% (HY1 2016: 61.9%).

The refit programme to modernise the Moss Bros store portfolio nears completion and our refitted stores continue to achieve their payback targets. 4 stores were refitted in the 26 weeks to 29 July 2017 (HY1 2016: 7) and a further 4 stores are scheduled to be refitted in the second half of the financial year. 103 new and refitted stores now trade in the new format and this is continuing 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 opened 4 new stores; At Dundrum in Ireland, Metrocentre in Gateshead, at the new Rushden Lakes development near Northampton and a concession store in Bexleyheath. We also relocated our Bicester and Cardiff stores during the first half, and closed 2 non-core stores. Moss Bros currently trades from 129 stores. We will continue to improve the store portfolio where locations are found that meet our investment criteria.

Like for like* hire sales were 8.4% below 2016 levels and as mentioned above, will only recover fully to a 'normalised' level at the end of the 2017 wedding season in September. The newly introduced Lounge Suits have again proved very popular with customers. The second half of the year sees less impact from wedding hire bookings as we move into the more traditional eveningwear season where again, new product will feature strongly within our Hire offer. Whilst still small in terms of sales volume, we continue to develop our online hire proposition. Our new Hire website launched during the half which features new functionality to enable the creation of 'My Outfit' – an online outfit 'scratch pad' which can later be recalled and updated in-store when customers are further along the Hire journey.

Our online capability continues to grow, with e-commerce retail sales up 14.5% on the previous year. Site visitor numbers continue to improve, especially mobile device traffic which now contributes 47%, of online sales. Overall online sales now comprise 11.2% of total Group revenue (HY1 2016: 10.3%).

Our two store pilot in the Middle East has shown reasonable growth on the year but remains firmly a trial as we seek to refine our approach whilst continuing to enable the potential for further expansion to be evaluated at relatively low risk and cost to the business.

Costs remain tightly controlled with expenditure focussed on areas which support our longer term goals. We will continue to challenge all areas of cost in order to ensure that our cost base remains commensurate to the growth in both sales and gross profit which we deliver.

Our product supply relationships, prices and routes are continually reviewed and we have undertaken a further consolidation of our supply base for Spring/Summer 2018 product. Foreign currency exposure, principally US Dollar, relates to approximately 35% of our product buy for Autumn/Winter 2017 and will increase for the following season to approximately 55%. Our USD requirement is already fully hedged for both of these proceeding seasons.

The development of our people remains key to delivering our ambition of becoming the first choice for men's tailoring. Investment in our people through recruitment, induction, training and development, performance appraisal and performance management is vital to delivering our strategic goals.

*Like-for-like (including VAT) represents financial information for e-commerce and 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 and Tailor Me sales are calculated on cash receipts in the period, before adjustment for the movement in the level of 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 29 July 2017 £'000**	26 weeks to 30 July 2016 £'000	52 weeks to 28 January 2017
Revenue			
Retail	**58,110**	54,558	110,812
Hire	**8,508**	9,287	17,118
Total revenue	**66,618**	63,845	127,930
Gross profit			
Retail	**34,436**	32,293	64,920
Hire	**6,335**	7,240	13,482
Total gross profit	**40,771**	39,533	78,402
Gross margin %			
Retail	***59.3%***	*59.2%*	*58.6%*
Hire	***74.5%***	*78.0%*	*78.8%*
Total	***61.2%***	*61.9%*	*61.3%*
Administrative expenses (*)	**(2,876)**	(3,535)	(6,620)
Shops' selling and marketing costs (*)	**-**	-	-
Shops' selling and marketing costs classified as exceptional	**-**	-	-
Shops' selling and marketing costs total	**(33,681)**	(32,385)	(64,705)
Operating profit	**4,214**	3,613	7,078
Other gains and losses	**-**	-	-
Other gains and losses classified as exceptional	**-**	-	-
Other gains and losses total	**-**	5	26
Investment revenues	**12**	33	43
Financial costs	**-**	-	-
Profit before tax	**4,226**	3,651	7,146
EBITDA (**)	**7,372**	6,754	13,607

* 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 2.03 pence per share (HY1 2016: 1.91 pence per share) to be paid on 24 November 2017, to shareholders on the register on 27 October 2017 (ex dividend date 26 October 2017).

FINANCIAL POSITION

Net assets reduced to £35.6m (30 July 2016: £37.3m).

The close management of cash remains a focus. The underlying cash position at 29 July 2017 was £21.5m (30 July 2016: £21.1m). Net cash inflow for the six months ended 29 July 2017 was £2.0m. Dividends of £4.0m were paid in the period. The Group continues to meet its day to day working capital requirements through surplus cash balances.
Total net inventory as at 29 July 2017 was £15.2m (30 July 2016: £14.6m). This increase was in line with the increase in revenue.

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
Chief Executive Officer

Tony Bennett
Finance Director and Company Secretary

MOSS BROS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS TO 29 JULY 2017

	26 weeks to 29 July 2017 **Total** **£'000** **(Unaudited)**	26 weeks to 30 July 2016 Total £'000 (Unaudited)	52 weeks to 28 January 2017 Total £'000 (Audited)
CONTINUING OPERATIONS			
Revenue	**66,618**	63,845	127,930
Cost of sales	**(25,847)**	(24,312)	(49,528)
Gross profit	**40,771**	39,533	78,402
Administrative expenses	**(2,876)**	(3,535)	(6,620)
Shops' selling and marketing costs	**(33,681)**	(32,385)	(64,705)
Operating profit	**4,214**	3,613	7,077
Other gains and losses	**-**	5	26
Investment revenues	**12**	33	48
Financial costs		-	(5)
Profit on ordinary activities before taxation	**4,226**	3,651	7,146
Taxation charge	**(961)**	(646)	(1,623)
Profit from continuing operations after taxation	**3,265**	3,005	5,523
Profit after taxation attributable to equity holders of the parent	**3,265**	3,005	5,523
Other comprehensive income			
Cash flow hedges			
Change in fair value of effective portion	**(847)**	289	(212)
Total comprehensive income	**2,418**	3,294	5,311
Earnings per share			
Basic – continuing	**3.25p**	3.01p	5.51p
Diluted – continuing	**3.24p**	2.93p	5.39p

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS TO 29 JULY 2017

26 Weeks ended 29 July 2017 (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 28 January 2017	5,040	8,673	637	(138)	418	22,869	37,499
Profit for the period	-	-	-	-	-	3,265	3,265
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	(847)	-	(847)
Total comprehensive income	-	-	-	-	(847)	3,265	2,418
Dividends paid	-	-	-	-	-	(4,000)	(4,000)
Issue of share capital	-	-	-	-	-	-	-
Credit to equity for equity settled share based payments	-	-	65	-	-	-	65
Exercise of shares held under option	-	-	(382)	-	-	382	-
Movement on deferred tax on share based payments	-	-	57	-	-	-	57
Movement on current tax on exercise of equity settled share-based payments	-	-	-	-	-	8	8
Sale of shares by employee benefit trust	-	-	-	286	-	(286)	-
Purchase of shares by employee benefit trust	-	-	-	(467)	-		(467)
SAYE exercise – employee contributors	-	-	-	-	-	-	-
Balance at 29 July 2017	**5,040**	**8,673**	**377**	**(319)**	**(429)**	**22,238**	**35,580**

26 Weeks ended 30 July 2016 (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 30 January 2016	5,040	8,673	775	(682)	630	22,901	37,337
Profit for the period						3,005	3,005
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	289	-	289
Total comprehensive income					289	3,005	3,294
Dividends paid	-	-	-	-	-	(3,766)	(3,766)
Issue of share capital	-	-	-	-	-	-	-
Credit to equity for equity settled share based payments	-	-	289	-	-	-	289
Exercise of shares held under option	-	-	(459)	-	-	459	-
Movement on deferred tax on share based payments	-	-	(20)	-	-	-	(20)
Movement on current tax on exercise of equity settled share-based payments	-	-	-	-	-	110	110
Sale of shares by employee benefit trust	-	-	-	507	-	(507)	-
SAYE exercise – employee contributors						70	70
Balance at 30 July 2016	**5,040**	**8,673**	**585**	**(175)**	**919**	**22,272**	**37,314**

52 Weeks ended 28 January 2017 (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 30 January 2016	5,040	8,673	775	(682)	630	22,901	37,337
Profit for the period	-	-	-	-	-	5,523	5,523
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	(212)	-	(212)
Total comprehensive income	-	-	-	-	(212)	5,523	5,311
Dividends paid	-	-	-	-	-	(5,687)	(5,687)
Credit to equity for equity settled share-based payments	-	-	392	-	-	-	392
Exercise of shares held under option	-	-	(480)	-	-	480	-
Movement on deferred tax on equity settled share-based payments	-	-	(50)	-	-	-	(50)
Movement on current tax on exercise of equity settled share-based payments	-	-	-	-	-	113	113
Sales of shares by employee benefit trust	-	-	-	544	-	(544)	-
SAYE exercise – employee contributors	-	-	-	-	-	83	83
Balance at 28 January 2017	**5,040**	**8,673**	**637**	**(138)**	**418**	**22,869**	**37,499**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 JULY 2017

	29 July 2017 **£'000** **(Unaudited)**	30 July 2016 £'000 (Unaudited)	28 January 2017 £'000 (Audited)
Assets			
Intangible assets	**1,834**	1,546	1,443
Property, plant and equipment	**19,464**	18,807	18,792
Leasehold improvements	**1,267**	1,189	1,252
Deferred tax assets	**1,266**	1,359	1,200
Total non-current assets	**23,831**	22,901	22,687
Inventories	**15,241**	14,601	16,709
Trade and other receivables	**4,405**	3,241	3,688
Cash and cash equivalents	**21,472**	21,128	19,518
Derivative financial instruments	**-**	891	411
Total current assets	**41,118**	39,861	40,326
Total assets	**64,949**	62,762	63,013
Liabilities			
Trade and other payables	**20,556**	17,348	17,157
Provisions	**1,001**	1,086	1,252
Current tax liability	**1,252**	858	1,181
Derivative financial instruments	**443**	-	-
Total current liabilities	**23,252**	19,292	19,590
Other payables	**3,588**	3,190	3,208
Provisions	**1,334**	1,418	1,321
Deferred tax liabilities	**1,195**	1,548	1,395
Total non-current liabilities	**6,117**	6,156	5,924
Total liabilities	**29,369**	25,448	25,514
Net assets	**35,580**	37,314	37,499
Equity			
Issued capital	**5,040**	5,040	5,040
Share premium account	**8,673**	8,673	8,673
Share based payments	**377**	585	637
Employee benefit trust	**(319)**	(175)	(138)
Hedging reserve	**(429)**	919	418
Retained earnings	**22,238**	22,272	22,869
Equity attributable to equity holders of parent	**35,580**	37,314	37,499

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 26 WEEKS TO 29 JULY 2017

	26 weeks to 29 July 2017 £'000 (Unaudited)	26 weeks to 30 July 2016 £'000 (Unaudited)	52 weeks to 28 January 2017 £'000 (Audited)
Operating activities			
Profit after taxation	**3,265**	3,005	5,523
Adjustments for:			
Taxation charge	**961**	646	1,623
Other gains and losses	**8**	(5)	(26)
Investment revenues	**(12)**	(33)	(48)
Net finance costs	**-**	-	5
Amortisation of intangible assets	**403**	413	801
Depreciation of property, plant and equipment	**2,849**	2,830	5,905
Amortisation of compulsory purchase compensation	**(102)**	(102)	(203)
Loss on disposal of property, plant and equipment	**176**	303	636
(Increase)/Decrease in inventories	**1,468**	(173)	(2,281)
Decrease / (increase) in receivables	**(717)**	(228)	(675)
Increase / (decrease) in payables	**3,867**	5,918	5,718
Increase/(Decrease) in provisions	**(238)**	26	96
Share-based payments expense	**74**	317	444
Exercise of share options	**(382)**	(459)	(480)
Exceptional income – lease compensation cash receipt	**-**	-	-
Taxation received / (paid)	**(1,089)**	(397)	(1,072)
Net cash from operating activities	**10,531**	12,061	15,966
Investing activities			
Interest received	**12**	33	48
Interest paid	**-**	-	(5)
Purchase of intangible assets	**(794)**	(365)	(650)
Purchase of property, plant and equipment	**(3,614)**	(4,768)	(8,115)
Proceeds from the disposal of property, plant and equipment	**-**	145	138
Net cash used in investing activities	**(4,396)**	(4,955)	(8,584)
Financing activities			
Dividends paid	**(4,000)**	(3,766)	(5,687)
Proceeds from the issue of shares	**-**	-	-
Sale of shares by employee benefit trust	**286**	507	544
Purchase of shares by employee benefit trust	**(467)**	-	-
Excess SAYE receipt between cost and exercise price	**-**	22	20
Net cash used in financing activities	**(4,181)**	(3,237)	(5,123)
Net (decrease)/increase in cash and cash equivalents	**1,954**	3,869	2,259
Cash and cash equivalents at beginning of period	**19,518**	17,259	17,259
Cash and cash equivalents at end of period	**21,472**	21,128	19,518

NOTES TO THE CONDENSED SET OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 26 WEEKS TO 29 JULY 2017

1. GENERAL INFORMATION

The results for the 26 weeks ended 29 July 2017 and 30 July 2016 are neither audited nor reviewed by the Group's auditor. The information for the 52 weeks ended 28 January 2017 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 52 weeks ended 28 January 2017.

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 52 weeks ended 28 January 2017, 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 previously strengthened our market position through the introduction of a new transactional Hire website and back-end system improvements are in development.	The risk is ongoing; we have undertaken a further review of our Hire operations during 2017 and implemented a number of procedural changes to ensure that we operate in the most effective manner possible to deliver on customer promise
Retail and Tailor Me	**Factors outside our control, such as an economic downturn affecting the UK or any wider economic downturn as a result of the vote to leave the EU, 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. Foreign currency exposure, principally the US Dollar, is hedged for 6 to 9 months in advance and so any short terms currency fluctuations during the EU referendum campaign period have been mitigated.	This risk has increased as the economic outlook has toughened since the Brexit vote in the UK. The longer term risks associated with the EU referendum are difficult to quantify until we have further clarity on approach from both UK government and EU negotiators.

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
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 increases in conversion rates and average order values. We have developed a fully responsive website during the first half which provides a more appropriate browsing experience for the increasing proportion of visitors to the site using mobile or tablet technology. We have security policies, rules and technical measures in place to protect customer data. We continue to focus our efforts on developing our 'mobile first" capability	With the continuous increase in trade through e-commerce and the market trend on moving to a fully multi-channel operation, the risk has increased during the year.
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 continue with our 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 year with the progression of the store redevelopment programme.
Costs	**Supply chain 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. **A re-emergence of general price inflation could affect profitability** Although the outlook for price inflation appears relatively benign, there are areas of concern such as the impact of the 2017 business rates revaluation and the second stage increase following the introduction of the National Living Wage	Management has in part 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. If general price inflation returns this may allow an increase retail selling prices albeit subject to market conditions Ongoing review of store profitability, combined with shorter lease durations. Remuneration policies are under review to ensure we remain competitive in the marketplace.	The risk is ongoing, however, and is continually monitored and addressed via the actions noted here
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, and 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 again increased during the year.

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
Cyber crime	**A cyber crime attack could disable the Group's key IT systems and compromise data security**	Customer bank or payment card details are not processed or stored in the Group's IT systems. Comprehensive security measures are in place with regular tests carried out. Development in cyber crime and preventative strategies are constantly reviewed.	Frequency and severity of cyber crime attacks against companies have increased significantly
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 on-going 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 to 29 July 2017 is 22.7% (30 July 2016: 17.7%; 28 January 2017: 22.7%), 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 100,417,250 (30 July 2016: 99,992,821; 28 January 2017: 100,211,983) 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 £3,265,000 (30 July 2016: £3,005,000; 28 January 2017: £5,523,000).

Diluted earnings per ordinary share is based upon the weighted average of 100,812,389 (30 July 2016: 102,519,282; 28 January 2017: 102,559,814) ordinary shares, after deducting shares held by the employee Benefit Trust, that were non-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 29 July 2017 Pence**	26 weeks to 30 July 2016 Pence	52 weeks to 28 January 2017 pence
Total (continuing operations)	**3.25**	3.01	5.51
Continuing operations basic earnings per share	**3.25**	3.01	5.51

Diluted earnings per share	**26 weeks to 29 July 2017 Pence**	26 weeks to 30 July 2016 Pence	52 weeks to 28 January 2017 pence
Total (continuing operations)	**3.24**	2.93	5.39
Continuing operations diluted earnings per share	**3.24**	2.93	5.39

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 29 July 2017**	26 weeks to 30 July 2016	52 weeks to 28 January 2017
Profit before tax	**4,226**	3,651	7,146
Deduct:			
Investment revenues	**(12)**	(33)	(48)
Financial costs	**-**	-	5
Add:			
Depreciation of property, plant and equipment	**2,849**	2,830	5,905
Amortisation of intangible assets	**403**	413	801
Amortisation of compulsory purchase compensation	**(102)**	(102)	(203)
Other gains and losses	**8**	(5)	-
EBITDA	**7,372**	6,754	13,606

7. DIVIDENDS

The directors have declared an interim dividend of 2.03 pence per share (HY1 2016: 1.91 pence per share) payable on 24 November 2017 to shareholders on the register on 27 October 2017 with an ex dividend date of 26 October 2017.

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 29 July 2017, the balance due from White Stuff was £nil 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.

AAK Limited is considered a related party of the Group because Maurice Helfgott, Senior Independent Non- Executive Director of Moss Bros Group plc, has a close relative holding a key management position with significant influence and who is a significant shareholder at AAK Limited. All transactions with AAK Limited have been on an arm’s length basis. During the period to 29 July 2017, total purchases from AAK Limited were £1.2m, including VAT, (28 January 2017: £4.3m, including VAT), of which £nil was outstanding at 29 July 2017.

9. SHARE BASED PAYMENTS

In 2009/10 a new equity settled Long Term Incentive Plan (LTIP) was approved by shareholders. During the period to 29 July 2017, under the same 2009/10 LTIP scheme, 1,075,466 shares were awarded to senior employees on 20 April 2017. 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 29 July 2017, a further grant was made.

The amount recorded in the income statement for share based payments under IFRS2 in the period to 29 July 2017 was £32,667 (30 July 2016: £296,000; 28 January 2017: £409,000).

A deferred tax adjustment was recorded in the share-based payment reserve of £57,000 credit in the period to 29 July 2017 (30 July 2016: debit of £20,000, 28 January 2017: debit of £50,000).

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).