

Moss Bros Group Plc

Trading Statement – 10 January 2007

Moss Bros Group Plc (“the Company”) is today updating the market on its trading performance for the year to date as at 6 January 2007.

- Total **sales** have increased 1.0%, with like for like sales down 1.4% for the 49 weeks to 6 January 2007. This compares to total sales up 1.4% and like for like sales down 0.7% for the first 26 weeks as reported in our interim statement dated 12 October 2006.
- Retail **gross margin** for the second half year has maintained the improvement shown in the first ten weeks of the second half resulting in an increase of 70bp for the 49 weeks to 6 January 2007. This improvement is partially offset by increased distribution costs due to the relocation of our warehouse facilities.
- The sales performance will leave **trading profit** materially lower than last year.
- **Profit before tax** will be lower than last year, after including £1.7m of profits arising from the planned sale of a number of leases during the current year.
- The **cash** balance remains strong with the average cash balance through the year higher than last year despite the lower than expected sales level.

Despite an unusually difficult year for the menswear market the management remains confident about the future of the business and is continuing with the expansion and refurbishment strategy announced previously.

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