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If you have sold or otherwise transferred all your Ordinary Shares in Moss Bros Group PLC, please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

Altium Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Moss Bros Group PLC and for no one else in relation to the Disposal and is not advising any other person and accordingly will not be responsible to anyone other than Moss Bros Group PLC for providing the protections afforded to the customers of Altium Capital Limited or for providing advice in relation to the Disposal or any other matter referred to herein.

Hawkpoint Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Moss Bros Group PLC and for no one else in relation to the Disposal and is not advising any other person and accordingly will not be responsible to anyone other than Moss Bros Group PLC for providing the protections afforded to the customers of Hawkpoint Partners Limited or for providing advice in relation to the Disposal or any other matter referred to herein.

MOSS BROS GROUP PLC

THE UK's **No.1** BRANDED SUIT SPECIALIST

(Registered in England and Wales No. 00134995)

Proposed Disposal of the Hugo Boss Franchised Businesses and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of Moss Bros Group PLC which is set out on pages 5 to 9 of this document and recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below. You should read the whole text of this document.

Notice of a General Meeting of Moss Bros Group PLC, to be held at 10.00 a.m. on 3 March 2011 at 8 St. John's Hill, London SW11 1SA, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 1 March 2011. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

FORWARD LOOKING STATEMENTS

This document contains a number of forward-looking statements relating to the Company and the Continuing Group with respect to, amongst others, the following: financial condition; results of operations; economic conditions in which the Company operates and in which the Company will operate; the business of the Company and the Continuing Group; future benefits of the Disposal and the Company's management plans and objectives. The Company considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of either the Company or the Continuing Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Company's management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither the Company nor any member of its group undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, the DTRs and other regulations.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 1 March 2011
General Meeting	10.00 a.m. on 3 March 2011
Completion	1 April 2011

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

DIRECTORS

Debbie Hewitt
Brian Brick
Robin Piggott
Mark Bernstein
Simon Berwin
Anthony Bogod
Maurice Helfgott

COMPANY SECRETARY

Julia Stephens

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PART I

LETTER FROM THE CHAIRMAN OF MOSS BROS GROUP PLC

Registered in England and Wales, Registration No. 00134995

Registered office:
8 St. John's Hill
London
SW11 1SA

11 February 2011

To Shareholders

Dear Shareholder

Proposed Disposal of the Hugo Boss Franchised Businesses and Notice of General Meeting

Introduction

Moss Bros Group PLC, the UK's number 1 branded suit specialist, which retails and hires men's clothing through 155 UK and Ireland based retail stores and online, announced on 7 February 2011 that it had entered into a conditional sale and purchase agreement with Hugo Boss UK Limited (the "Purchaser"), relating to the proposed disposal of the Hugo Boss Franchised Businesses, for a cash consideration of £16.5 million. Because of its size, the Disposal constitutes a class 1 transaction pursuant to Chapter 10 of the Listing Rules and is, therefore, conditional on the approval of Shareholders at a General Meeting of the Company. In certain circumstances payments may be due to the Purchaser which could, in aggregate, exceed one per cent. of the Company's market capitalisation (as described in more detail below). Therefore these payments are classified as a break fee and a class 1 transaction under Chapter 10 of the Listing Rules and also require the approval of Shareholders at the General Meeting.

This document sets out the background to, and details of, the Disposal and the Resolutions to be proposed at the General Meeting and explains why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole. The Board recommends that you vote in favour of the Resolutions to approve the Proposals. Each of the Resolutions is conditional on the other, such that if either of the Resolutions is not approved by Shareholders, neither of the Resolutions shall be passed.

The notice of the General Meeting, to be held on 3 March 2011 at 10.00 a.m., for the purpose of approving the Proposals is set out at the end of this document. This document contains instructions as to the actions to be taken by Shareholders in relation to the General Meeting.

Background to and reasons for the Disposal

In recent months the Company has undertaken a strategic review, aimed at developing a strategic plan to restore the Company's growth and profitability. We have determined, and are successfully pursuing, a strategy which focuses on building the Company's core Moss brand and which specifically leverages the value inherent in the Company's Moss Bros hire activity. The development of our product offering, the creation of a new store environment, the extension of our online activity and innovation in areas such as Moss Bespoke all form a core part of that strategy, as does a streamlining of the Company's activities to simplify the business and reduce operating costs.

As part of the strategic review, we have been exploring our options concerning our franchising activities, with a view to simplifying the business and focusing in the future on the store fascias and product brands that the Company owns.

The Company has operated a number of Hugo Boss Franchised Stores in the UK under Franchise Agreements with Hugo Boss AG since 1995. During this period the Company has operated the Hugo Boss Franchised Stores successfully and continues to enjoy a strong relationship with the Purchaser. The Company recently entered into discussions with the Purchaser to explore the possibility of selling the

Hugo Boss Franchised Businesses to the Purchaser, such that they would come under the Purchaser's direct ownership, and for the Company to receive a cash consideration for these businesses, which the Company could use to invest in its own brands.

The Directors unanimously believe that this transaction will allow the Company to significantly accelerate its chosen strategy by focusing exclusively on the rebuilding of the Moss brand, and that the cash proceeds of the Disposal will provide funding for the redevelopment of Moss branded stores, the roll out of new initiatives, such as Moss Bespoke, following rigorous piloting and the development of a customer relationship management system, all from a debt-free position. Furthermore, the Disposal will give the Company increased financial flexibility and allow a much simpler business model to be developed.

The Disposal will also release the Company from a number of potentially onerous leases, although, as is standard practice on the assignment of commercial leases, the landlords may require the Company to guarantee the performance by the Purchaser of the lease covenants. However, the Company will receive the benefit of an indemnity from the Purchaser against liabilities arising under the assigned leases and, in addition, Hugo Boss AG, the ultimate parent company of the Purchaser, will if required give a guarantee to the landlords against liabilities arising under the assigned leases.

For the reasons above, the Board considers the Disposal to be fundamental to the strategic development of the Group.

The wholesale relationship with the Purchaser will continue, as Moss Bros will continue to stock Hugo Boss branded clothing in selected Moss and Cecil Gee stores.

Information on the Hugo Boss Franchised Businesses

The Hugo Boss Franchised Businesses comprise 15 Hugo Boss branded retail stores in the UK, currently operated by the Company under Franchise Agreements with Hugo Boss AG.

Financial information on the Hugo Boss Franchised Businesses is set out in Part III of this document. The Hugo Boss Franchised Businesses had sales of £33.0 million and operating profits of £0.7 million (after exceptional impairment of £1.1 million) for the year ended 30 January 2010. The Hugo Boss Franchised Businesses had sales of £16.0 million and operating profits after exceptional items of £0.4 million for the six months ended 31 July 2010. As at the same date, the Hugo Boss Franchised Businesses had net assets of £9.4 million and total assets of £9.8 million. This information has been extracted from the consolidation schedules which underlie the audited consolidated financial statements of Moss Bros Group PLC for the year ended 30 January 2010 and the unaudited half yearly financial report of Moss Bros Group PLC for the six months ended 31 July 2010.

Since the announcement of the Company's interim management statement on 9 December 2010, the Hugo Boss Franchised Businesses have traded similarly to the Company as a whole. The Hugo Boss Franchised Businesses continued to trade well over the Christmas period despite unfavourable weather conditions and, in line with the Company's overall trading performance, total sales showed a positive like-for-like trend and gross margin performed well.

Principal Terms of the Disposal

The Purchaser will acquire the business and assets of the Hugo Boss Franchised Businesses as a going concern, including the leases, stock and fixtures and fittings associated with the Hugo Boss Franchised Stores. In addition, all the Employees who currently work in the Hugo Boss Franchised Stores and nine Employees who currently work at the Company's head office will be transferred to the Purchaser.

Completion of the Disposal will, subject to the passing of the Resolutions, take place on 1 April 2011. From that date, the Purchaser will occupy the Hugo Boss Franchised Stores and operate the Hugo Boss Franchised Businesses.

The consideration payable by the Purchaser to the Company is £16.5 million (subject to subsequent adjustment to reflect the amount by which the transferred stock is more or less than £4.2 million), payable in cash on Completion (subject as set out below).

The 15 stores which comprise the Hugo Boss Franchised Businesses are held by the Company under Leases, the transfer of which require (as is standard) the consent of the superior landlords. Whilst the Company is confident that all of these consents will be obtained they may not all have been obtained by 1 April 2011. Accordingly, the Sale and Purchase Agreement contains provisions which provide for an amount of the consideration in respect of the stores the subject of any such Leases (being a maximum aggregate amount of £12.3 million) to be put in escrow and deferred and paid in instalments, along with

interest, in the period from 1 April 2011 to the date of transfer of the Lease in question. In addition, if landlord's consent to the transfer of any Lease has not been obtained by 31 December 2011, the Sale and Purchase Agreement provides that the Purchaser may vacate the store in question in which case its operation (and the associated Franchise Agreement) will revert to the Company and no further consideration will be payable to the Company in respect of that store. In these circumstances the Company will be obliged to pay £25,000 per store in respect of the Purchaser's costs of vacation. In the event that none of the Leases have been transferred to the Purchaser by the Longstop Date and the Purchaser has elected to vacate all of the Hugo Boss Franchised Stores on or after 29 February 2012, the Company will be obliged to pay in aggregate £375,000 to the Purchaser in respect of its cost of vacation. As these payments could, in aggregate exceed one per cent. of the Company's market capitalisation, these payments constitute a break fee and a class 1 transaction under Chapter 10 of the Listing Rules and therefore require the approval of Shareholders at the General Meeting.

Further details of these provisions are contained in the summary of the principal terms of the Sale and Purchase Agreement, which is set out in Part IV of this document.

Effect of the Disposal

The Company currently has obligations under its Franchise Agreements with Hugo Boss AG to meet certain minimum capital investment standards for the Hugo Boss Franchised Stores in its estate and is also required to commit to sales-related marketing spend in relation to these businesses. If the Disposal does not complete or is significantly delayed, the Company will be required to continue to fulfil its obligations to the Purchaser in relation to the Hugo Boss Franchised Stores. Following the Disposal, the Board expects that the removal of these commitments will provide greater flexibility and focus for the Company's future investment programme on its wholly owned Moss branded activities.

The Company's current £5 million Revolving Business Loan Agreement with Lloyds TSB Bank plc expires on 31 May 2011. The cash generated pursuant to the Disposal will provide the Company with sufficient working capital such that it will not need to renew the current facilities and will operate debt-free. However, if the Disposal does not complete or is significantly delayed, the Directors expect that the Company will continue to require access to similar banking facilities in the future. The Company does not currently anticipate difficulties in renewing the existing facility or replacing it with similar facilities, and has had preliminary discussions with regard to a possible extension or renewal of its facilities on a similar basis to its current banking arrangements.

The Board intends that the net proceeds received from the Disposal will be reinvested in the Company's core business and its own estate of branded retail stores. This proposed investment programme will allow the Company to further invest in the look and product mix of its stores, begin an appropriate roll out of new initiatives, such as Moss Bespoke, after rigorous piloting and to invest in the Company's online service offering and customer relationship management capability. A portion of the net proceeds will also be made available to provide improved flexibility for the Company's working capital and stock purchasing requirements, including hire stock.

In addition to the investment of the net proceeds from the Disposal, the Board expects that the Company will benefit from a renewed focus on its own core branded stores without the need to continue to dedicate management time and other resources to the Hugo Boss Franchised Stores.

Under the existing Franchise Agreement in relation to certain Hugo Boss Franchised Stores operated by the Company, the Franchise Agreement would (in the absence of the Disposal) terminate prior to the expiry of the Leases for those stores. Under the terms of the Disposal, these Leases will be transferred or assigned to the Purchaser, therefore removing any potential onerous lease obligations on the Company. However, as is standard practice on the assignment of commercial leases, the landlords may require the Company to guarantee the performance by the Purchaser of the Lease covenants. The Company will receive the benefit of an indemnity from the Purchaser against liabilities arising under the assigned Leases and, in addition, Hugo Boss AG, the ultimate parent company of the Purchaser, will if required give a guarantee to the landlords against liabilities arising under the assigned Leases.

Following the transfer of the Hugo Boss Franchised Stores to the Purchaser, the Continuing Group will no longer benefit from the revenues or profits of the Hugo Boss Franchised Businesses, to the extent any are made. Historical financial information for the Hugo Boss Franchised Businesses, including its historical profitability, is set out in Part III of this document.

An unaudited pro forma statement of net assets is set out in Part III of this document, illustrating how the net assets of Moss Bros might have been affected by the Disposal had it taken place as at 31 July 2010.

This statement, which has been prepared for illustrative purposes only, shows a pro forma increase in the Continuing Group's net assets as at that date of £5.1 million.

Trend information

The following text has been extracted from an interim management statement issued by the Company on 9 December 2010:

Moss Bros Group PLC, ("the Group"), the UK's No 1 Branded Suit Specialist, today issues its interim management statement for the period from 1 August 2010 to 4 December 2010.

- *The positive momentum established in the first half has been maintained, with the key Christmas and January Sales trading period still to come.*
- *Sales for the first 18 weeks of the second half were ahead 8.3% on a like-for-like basis.*
- *Like-for-like sales for the 44 weeks to 4 December were ahead 10.2%.*
- *Total sales for the 44 weeks to 4 December were ahead 8.9%.*
- *Retail gross margin is ahead of last year in the 18 weeks to 4 December, despite the highly promotional market continuing.*
- *The comprehensive review of the cost base of the business mentioned in our Half Year Report is well under way and a full update will be given when the Preliminary Results are announced on 30 March 2011.*
- *Stock and cash remain tightly managed.*

Brian Brick, Chief Executive, said:

"Whilst the economy continues to be fragile, the Group's sales have traded well ahead of last year and this trend has continued so far throughout the second half, although the out turn for the full year depends on trading during the important Christmas period. In addition, we have continued to make good progress on our strategic priorities of improving the calibre of store management, improving operational processes, reviewing the look and product mix of the core Moss stores and testing our innovative Moss Bespoke concept, which we will begin to roll out in the early part of 2011. The comprehensive review of the cost base of the business is well underway and we are on track to drive cost out of the business and simplify our operating model.

We enter this key trading period in the best shape we have been in for some time but we are mindful of the fragile nature of consumer confidence. We are managing the business to reflect these conditions and the Board remains confident in the outlook for the full year."

In spite of the poor weather conditions which impacted most high street retailers leading up to and during the important Christmas trading period, Moss Bros continued to trade well and total sales continue with a positive like-for-like trend. Like-for-like sales were up 7.0% for the 26 weeks to 29 January 2011, and up 9.1% for the 52 weeks to 29 January 2011. Gross margin also continues to perform well and the business is starting to see the benefits of the cost review actions taken in the third quarter coming through. The Board remains confident of the outturn for the full year. The Company expects to announce its preliminary results for the year ending 31 January 2011 on 30 March 2011.

Risk factors

Shareholders should consider fully the risk factors associated with the Proposals and the Continuing Group. Your attention is drawn to the risk factors set out in Part II of this document.

General Meeting

The notice convening the General Meeting of the Company to be held at 10.00 a.m. on 3 March 2011 at 8 St. John's Hill, London SW11 1SA is set out at the end of this document. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to seek Shareholders' approval for the Proposals.

Action to be taken

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by 10.00 a.m. on 1 March 2011. Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

Further information

Your attention is drawn to the further information contained in Parts III to VI of this document.

You are advised to read the whole of this document and not to rely solely on the information or summary information contained in this letter.

Recommendation

The Board, which has received advice from Altium, considers the Proposals to be in the best interests of the Company and its Shareholders as a whole. In providing its advice, Altium has placed reliance on the Directors' commercial assessments regarding the Proposals.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings amounting (as at 10 February 2011, being the latest practicable date prior to the posting of this document) to an aggregate of 425,104 Ordinary Shares, representing approximately 0.45 per cent. of the Company's current issued share capital.

Yours sincerely,

Debbie Hewitt
Chairman

PART II

RISK FACTORS

The following risk factors, which the Directors believe include all known material risks, should be carefully considered by Shareholders when deciding what action to take in relation to the Disposal.

1. RISK FACTORS RELATING TO THE DISPOSAL NOT PROCEEDING

Satisfaction of conditions precedent to completion

Completion of the Disposal is subject to the approval of Shareholders at the General Meeting of the Company. If Shareholders do not approve the Proposals at the General Meeting, the Disposal will not complete. If the condition is not satisfied, the Disposal will not proceed but the Group will be required to meet its accrued costs in respect of the aborted Disposal.

Inability to realise value if the Disposal does not complete

The Board is of the opinion that the Disposal is in the best interests of the Shareholders as a whole and the Directors believe that the Disposal currently provides the best opportunity to realise the Group's investment in the Hugo Boss Franchised Businesses. Accordingly, if the Disposal does not complete, the Company's ability to realise its investment in the short term may be prejudiced.

Ongoing requirement for management time and the Company's resources

If Completion does not occur or is significantly delayed, the management team of Moss Bros will be required to continue to manage, and expend the Company's resources on the Hugo Boss Franchised Businesses. This may limit the management and financial resources available for the rest of the Company, potentially to the detriment of the Company's overall operational and financial performance.

The Company may be exposed to refinancing risks in the longer term

The Company currently has in place a £5 million Revolving Business Loan Agreement, provided by Lloyds TSB Bank plc, which is due to be renewed on 31 May 2011. If Completion does not occur or is significantly delayed, the Directors expect that the Company will continue to require access to similar banking facilities in the future. The Company does not currently anticipate difficulties in renewing the existing facility or replacing it with similar facilities, and has had preliminary discussions with regards a possible extension or renewal of its facilities on a similar basis to its current banking arrangements. However, no guarantee can be given as to whether such facilities will be forthcoming or the terms on which they may be available. If the Company is unable to obtain new finance on competitive terms or at all, it may suffer a loss as a result of having to dispose of assets either at a time which is not of the Company's own volition and/or at a price which does not reflect the full value of the asset. A failure to obtain new finance could result in the Company defaulting on its obligations which would have a material adverse effect on the Company.

Obligations to the Purchaser

The Company currently has obligations under its Franchise Agreements with Hugo Boss AG to meet certain minimum capital investment standards for the Hugo Boss Franchised Stores in its estate and is also required to commit to sales-related marketing spend in relation to these businesses. If Completion does not occur or is significantly delayed, the Company will be required to continue to fulfil its obligations to the Purchaser in these respects, which will substantially limit the Company's financial flexibility.

There may be a material breakdown in the relationship between the Company and the Purchaser

The operation of the Hugo Boss Franchised Businesses depends on cooperation between the Company and the Purchaser. If the Disposal does not proceed, there may be a material breakdown in the relationship between the Purchaser and the Company which could have an adverse impact on the continued performance of the Hugo Boss Franchised Businesses and the Company.

The Company may be required to retain potentially onerous leases relating to the Hugo Boss Franchised Businesses

In relation to certain Hugo Boss Franchised Stores operated by the Company, the Franchise Agreement with Hugo Boss AG will terminate prior to the expiry of the relevant lease agreement for those stores. If Completion does not occur or is significantly delayed or the Leases cannot be assigned to the Purchaser by the Longstop Date, there is a risk that certain Franchise Agreements will be terminated by Hugo Boss AG in accordance with their terms, leaving the Company with outstanding leases for certain stores and, potentially, concomitant onerous lease obligations. The Directors believe that the stores for which such a position currently exists would not be suitable for the Company's other retail fascias and the only means likely to be available to the Company to reduce its obligations would be to dispose of these leases. The extent to which a disposal of these leases would be successful in reducing the Company's liability would be dependent on market conditions at the time.

2. RISKS RELATING TO THE DISPOSAL

The Continuing Group's operations will be less diversified

Following the Disposal, the operations of the Continuing Group will be smaller and its overall financial performance will depend more on the performance of each of its remaining continuing operations. Should any one of its continuing operations underperform, this may have a larger relative impact on the Continuing Group than it would have done prior to the Disposal.

The Disposal will impact upon the Continuing Group's revenue and profit generating profile

Following Completion and the transfer or assignment of all of the Leases to the Purchaser, the Continuing Group will no longer benefit from the revenues or profits of the Hugo Boss Franchised Businesses, to the extent any are made. A deterioration in the trading performance of the Continuing Group's business could have an adverse effect on its overall operational and financial performance.

Breach of warranties contained in the Sale and Purchase Agreement

The Sale and Purchase Agreement contains certain warranties and indemnities in favour of the Purchaser. The extent to which the Continuing Group will be required in the future to incur costs under any of these warranties or indemnities is not predictable and, if the Continuing Group should incur such costs, these costs could have an adverse effect on its cash flow and financial condition. Further details of the Sale and Purchase Agreement are set out in Part IV of this document.

The Company will become liable to landlords under authorised guarantee agreements

The terms of the majority of the Leases being assigned to the Purchaser entitle the respective landlord to insist that, on assignment, the Company enters into authorised guarantee agreements to guarantee the performance by the Purchaser (but not any successors in title to the Purchaser) of the Lease covenants from which the Company will be released. In the event a landlord insists that the Company enters into such authorised guarantee agreements, the Company will be liable to the landlord under the agreement until the expiry of the term of the relevant Lease. This is standard practice on the assignment of commercial leases and the Company will also receive the benefit of an indemnity from the Purchaser in the assignment against liabilities arising under the assigned Leases. In addition, Hugo Boss AG, the ultimate parent company of the Purchaser, will if required give a guarantee to the landlords against liabilities arising under the assigned Leases.

Inability to assign the Leases included in the Hugo Boss Franchised Businesses

The Company may be unable to assign the Leases relating to the Hugo Boss Franchised Stores by the Longstop Date. In respect of two of the Leases, which contain a restriction on assignment for a specified period, the Company will also seek a variation of the relevant Lease in order to permit assignment. In the event one or more of the Leases cannot be assigned to the Purchaser (including those Leases which contain a restriction on assignment referred to above) by the Longstop Date (or such later date as determined by the Purchaser) the Sale and Purchase Agreement provides that the relevant Lease or Leases will be retained by the Company until the expiry of the term of the specific Lease and the Company will not be entitled to a portion of the Deferred Consideration as described in more detail on page 19 of this document. In such instance, the Purchaser may elect to continue in occupation of the Hugo Boss Franchised Store for the duration of the Lease or vacate

on or after 29 February 2012, in which case the Hugo Boss Franchised Store will be operated thereafter by the Company as a Hugo Boss Franchised Store under the applicable Franchise Agreement (unless the relevant Franchise Agreement has been terminated in accordance with its terms (please refer to the risk factor entitled “The Company may be required to retain potentially onerous leases relating to the Hugo Boss Franchised Businesses”). In the event none of the Leases can be assigned to the Purchaser by the Longstop Date (or such later date as determined by the Purchaser), the Sale and Purchase Agreement provides that all the relevant Leases will be retained by the Company until the expiry of their term and the Company will not be entitled to any of the Deferred Consideration. In these circumstances, the Company will be required to continue to pay the full rent applicable to the relevant Lease for the duration of its term and to manage and expend the Company’s resources on the relevant Hugo Boss Franchised Businesses which may limit the management and financial resources available for the rest of the Group, potentially to the detriment of the Company’s overall operational and financial performance. Further details of the Sale and Purchase Agreement are set out in Part IV of this document.

3. GENERAL RISK FACTORS

The Company’s markets are highly competitive and the Group and, following the Disposal, the Continuing Group must be able to respond to industry change in order to remain competitive

The Group and, following the Disposal, the Continuing Group operate in market sectors which are characterised by a high level of competition between retailers and potential retailers. A key success factor to operating successfully within these markets is the ability to introduce new products in a timely manner. Competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements or devote greater resources than the Group and, following the Disposal, the Continuing Group to the development, promotion and sale of new product and service offerings. The Group and, following the Disposal, the Continuing Group must continue to respond promptly and effectively to industry changes, customer demand and competitors in order to be successful. No assurance can be given that the Group and, following the Disposal, the Continuing Group will continue to be able to respond to changes in the industry and correspondingly develop the products required by customers or that competition will not have a material adverse effect on the Group and, following the Disposal, the Continuing Group’s business, results of operations or financial condition.

Reliance on certain suppliers for the maintenance of the Group’s stock

The Group’s ability to deliver according to market demands depends largely on obtaining timely and adequate supply of stock on competitive terms. Failure by any of the Group’s suppliers could interrupt its product supply, and could significantly limit the Group’s sales and increase its costs. If the Company fails to anticipate customer demand properly an over/undersupply of stock could occur. In addition, a particular stock item may be available only from a limited number of suppliers.

Suppliers may from time to time extend lead times, limit supplies or increase prices due to capacity constraints or other factors, which could adversely affect the Group’s ability to deliver its products on a timely basis. Despite the Group’s efforts to select its suppliers and manage its supplier relationships with scrutiny, a supplier may fail to meet the Group’s supplier requirements, such as, most notably, the Group’s and its customers’ product quality, safety and other corresponding standards. Moreover, a supplier may experience delays or disruption to its manufacturing, or experience financial difficulties. Any of these events could delay the successful delivery of products which meet the Group’s and its customers’ quality and other corresponding requirements, or otherwise adversely affect the Group’s sales and the Group’s results of operations. Also, the Group’s reputation and brand value may be affected due to real or alleged failures in its products.

The Group and, following the Disposal, the Continuing Group are dependent on key personnel and the recruitment and retention of suitably qualified personnel

The ability of the Group and, following the Disposal, the Continuing Group to meet the demands of the market and to compete effectively is, to a large extent, dependent on the skills, experience and performance of its employees. The Group and, following the Disposal, the Continuing Group need individuals with appropriate knowledge and expertise and the Group recognises that the relationships that its employees develop with customers are key to its success. The loss of key personnel, the loss of a significant number of staff or the failure to attract and maintain the number

of suitable employees required could have serious consequences for the Group, including a negative effect on customer relationships and consequently a material adverse effect on its business and the results of its operations.

The Group's and, following the Disposal, the Continuing Group's businesses are highly reliant on the continued services of its senior management, including its executive Directors and other key personnel. These individuals possess revenue, marketing, financial and administrative skills that are critical to the continued successful operation of the Group's and, following the Disposal, the Continuing Group's businesses. Failure to retain such individuals, whether such individuals wish to enter into the employment of the Group's and, following the Disposal, the Continuing Group's competitors or otherwise, or the failure to attract and retain strong management and other staff in the future, could have an adverse effect upon the Group's businesses, financial condition and the results of its operations.

The Group and, following the Disposal, the Continuing Group is exposed to the risk of changes in tax legislation and its interpretation, as well as to increases in the rate of corporate and other taxes in the jurisdictions in which it operates

The Group's and, following the Disposal, the Continuing Group's activities are subject to tax at various rates in the jurisdictions in which it operates computed in accordance with local legislation, policy and practice. Action by governments to increase tax rates or to impose additional taxes or remove incentives could reduce the Group's and, following the Disposal, the Continuing Group's profitability. Revisions to tax legislation or to its interpretation or changes in any applied policy or practice might also affect the Group's and, following the Disposal, the Continuing Group's past results (where such changes apply retrospectively) or results in the future.

The market price of the Shares may go down as well as up

Shareholders should be aware that the value of an investment in the Company may go down as well as up and can be highly volatile. The price at which the Shares may be quoted and the price which investors may realise for their Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations and some which may affect the retail industry as a whole, other comparable companies or publicly traded companies as a whole.

These factors could include the actual or anticipated fluctuations in the financial performance of the Continuing Group and its competitors, market fluctuations, legislative or regulatory changes in the retail industry or generally those affecting consumers.

The Continuing Group may not be able to implement its strategic goals successfully

There can be no certainty that the Continuing Group will be able to implement its strategic goals successfully. The ability of the Continuing Group to implement its strategy in a competitive market requires effective planning and management control systems. The Continuing Group's future growth will depend on its ability to expand and improve operational, financial and management information and control systems in line with the Continuing Group's growth. Failure to do so could have an adverse effect on the Continuing Group's business, financial condition, results of operations and/or future prospects.

The Group is dependent to a significant extent on economic conditions which allow discretionary consumer spending

The success of the Group's operations depends to a significant extent upon factors that affect discretionary consumer spending (including economic conditions and perceptions of such conditions by consumers) within the economy as a whole and in regional and local markets where the Group operates. Retail sales in particular are sensitive to economic conditions. Any downturn or perceived downturn in such conditions could negatively impact on the Group's sales and profits.

PART III
FINANCIAL INFORMATION

Nature of financial information on the Hugo Boss Franchised Businesses

The following financial information relating to the Hugo Boss Franchised Businesses has been extracted without material adjustment from the consolidation schedules that underlie the audited consolidated accounts of the Company for the years ended 26 January 2008, 31 January 2009 and 30 January 2010 and the unaudited half yearly financial report of the Company for the six months ended 31 July 2010 which have been prepared in accordance with International Financial Reporting Standards as adopted in the EU (IFRS).

The financial information for the Hugo Boss Franchised Businesses for the years ended 26 January 2008, 31 January 2009 and 30 January 2010 and for the six months ended 31 July 2010 has been prepared in accordance with the accounting policies set out in the Company's Annual Report and Accounts for each of the years ended 26 January 2008, 31 January 2009 and 30 January 2010.

The financial information contained in this Part III does not constitute statutory accounts within the meaning of Section 441 of the Act. The consolidated statutory accounts for the Company in respect of the financial years ended 26 January 2008, 31 January 2009 and 30 January 2010 have been delivered to the Registrar of Companies and the auditors' reports in respect of the statutory accounts for those years were unqualified. The Company's auditors in respect of the years ended 31 January 2009 and 30 January 2010 were Deloitte LLP, and in respect of the year ended 26 January 2008 were KPMG Audit plc.

Income statements for the Hugo Boss Franchised Businesses

The income statements for the Hugo Boss Franchised Businesses are set out below:

	Year to 26 January 2008 £000	Year to 31 January 2009 £000	Year to 30 January 2010 £000	Six months to 31 July 2010 £000
Sales	29,584	32,711	33,044	16,026
Cost of sales	(14,916)	(17,330)	(16,294)	(8,094)
Selling costs	(11,780)	(13,040)	(14,234)	(7,129)
Administration	(643)	(721)	(699)	(372)
Operating profit (pre-exceptional)	2,245	1,620	1,817	431
Impairment	–	–	(1,090)	–
Operating profit (after exceptional)	2,245	1,620	727	431

The Directors do not believe it is possible to provide a meaningful allocation of interest or tax for the Hugo Boss Franchised Businesses.

Statement of net assets for the Hugo Boss Franchised Businesses

The net assets statement for the Hugo Boss Franchised Businesses is set out below:

	As at 30 January 2010 £000	As at 31 July 2010 £000
Property, plant and equipment	3,219	2,574
Lease improvements	86	911
Inventories	3,695	4,955
Trade and other receivables	1,133	1,358
Trade and other payables	(758)	(409)
Net assets	<u>7,376</u>	<u>9,388</u>

Unaudited pro forma statement of net assets for the Continuing Group

Set out below is an unaudited pro forma statement of net assets for the Continuing Group, showing the effect of the Disposal. The unaudited pro forma statement of net assets is based on the unaudited half yearly financial report of Moss Bros Group PLC as at 31 July 2010 adjusted as described in the notes set out below. The unaudited pro forma statement has been prepared to illustrate how the net assets of Moss Bros might have been affected by the Disposal, had it taken place as at 31 July 2010.

The unaudited pro forma statement has been prepared for illustrative purposes only. It addresses a hypothetical situation and does not, therefore, represent the Continuing Group's actual financial position or results.

	Moss Bros Group PLC as at 31 July 2010 £000 Unaudited <i>(Note 1)</i>	Adjustments			Pro forma Continuing Group £000 Unaudited
		Net assets disposed £000 Unaudited <i>(Note 2)</i>	Net Disposal proceeds £000 <i>(Notes 3&4)</i>	Tax adjustment £000 <i>(Note 5)</i>	
ASSETS					
Intangible assets	1,459	–	–	–	1,459
Property, plant and equipment	20,137	(2,574)	–	–	17,563
Lease improvements	2,776	(911)	–	–	1,865
TOTAL NON-CURRENT ASSETS	24,372	(3,485)	–	–	20,887
Inventories	17,098	(4,955)	–	–	12,143
Trade and other receivables	5,250	(1,358)	–	–	3,892
Cash and cash equivalents	4,536	–	17,704	–	22,240
Current tax assets	–	–	–	–	–
TOTAL CURRENT ASSETS	26,884	(6,313)	17,704	–	38,275
TOTAL ASSETS	51,256	(9,798)	17,704	–	59,162
LIABILITIES					
Other payables	2,895	–	–	–	2,895
Deferred tax liabilities	2,657	–	–	3,200	5,857
TOTAL NON-CURRENT LIABILITIES	5,552	–	–	3,200	8,752
Trade and other payables	15,115	(409)	–	–	14,706
Provisions	–	–	–	–	–
Current tax liabilities	21	–	–	–	21
TOTAL CURRENT LIABILITIES	15,136	(409)	–	–	14,727
TOTAL LIABILITIES	20,688	(409)	–	3,200	23,479
NET ASSETS	30,568	(9,388)	17,704	(3,200)	35,684

Notes:

- The net assets of Moss Bros Group PLC have been extracted, without material adjustment, from the unaudited half yearly financial report for the six months to 31 July 2010.
- The net assets being disposed have been extracted, without material adjustment, from the consolidation schedules that underlie the unaudited half yearly financial report for the six months to 31 July 2010 as set out on page 14 in this Part III of this document.
- Net disposal proceeds reflect the receipt sale proceeds of £16.5 million, less costs of approximately £0.5 million associated with the transaction and Completion adjustments of £1.7 million (based on the 31 July 2010 net assets) as shown below:

	£000
Gross proceeds of £16.5 million less associated costs	16,000
Stock value in excess of £4.2 million	755
Trade receivables and prepayments	1,358
Creditors and payables	(409)
	<u>17,704</u>

The actual completion adjustments will be based upon the Hugo Boss Franchised Businesses net assets as at the Completion Date and therefore may differ from those shown above. The timing of the receipt of the gross proceeds is in part dependent upon the timing of the assignment of the various leases as described on page 19.

4. It is assumed in the table that all leases will be assigned to the purchaser on or before the Completion Date. It is possible that a number of leases may not be assigned by that time and therefore a proportion of the consideration will be held in escrow at that date as described on page 19.
5. Estimated deferred tax liability arising on disposal reflecting gross proceeds of £16.5 million less transaction costs of £0.5 million and cost of inventories disposed of £4.0 million, taxed at 27%.
6. Illustrative net assets of the Continuing Group had the Disposal taken place at 31 July 2010. The pro forma balance sheet does not include the effects of any trading or cash flows after 31 July 2010.

Report on Pro forma financial information



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The Board of Directors
on behalf of Moss Bros Group PLC
8 St John's Hill
Clapham Junction
London
SW11 1SA

Altium Capital Limited
30 St James's Square
London
SW1Y 4AL

11 February 2011

Dear Sirs,

Moss Bros Group PLC (the "Company")

We report on the pro forma financial information (the "Pro forma financial information") set out in Part III of the Class 1 circular dated 11 February 2011 (the "Circular"), which has been prepared on the basis described in notes 1 to 6, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 29 January 2011. This report is required by Annex I item 20.2 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Annex I item 20.2 and Annex II items 1 to 6 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, in accordance with Annex I item 20.2 of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making

this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Member of Deloitte Touche Tohmatsu Limited

PART IV

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

On 4 February 2011, the Company and the Purchaser entered into the Sale and Purchase Agreement under which the Company agreed to sell and the Purchaser agreed to purchase the Hugo Boss Franchised Businesses.

1. Conditions

Completion is conditional upon the passing of the Resolutions.

2. The Hugo Boss Franchised Businesses

The assets comprising the Hugo Boss Franchised Businesses to be transferred to the Purchaser include, amongst other things, the goodwill, the fixed and moveable assets, certain assumed liabilities and the stock relating to the Hugo Boss Franchised Businesses.

The Franchise Agreement relating to each Hugo Boss Franchised Store will be assigned by the Company to the Purchaser on the Completion Date and the Purchaser will be entitled to occupy each of the Hugo Boss Franchised Stores and operate the Hugo Boss Franchised Businesses from the Completion Date.

The Company will transfer (by way of assignment or, in respect of two of the Leases, sub-let) each Lease of the Hugo Boss Franchised Stores to the Purchaser on the Completion Date or, if later, as soon as practicable following receipt of any required landlord's consent ("Consent") to such transfer. The Company has agreed to use its reasonable endeavours to obtain, and the Purchaser has agreed to use its reasonable endeavours to assist in the obtaining of, the Consents.

In the event that any Lease has not been transferred to the Purchaser by 31 December 2011, the Purchaser will be entitled (on 29 February 2012 or thereafter on three months' notice) to vacate the store concerned, in which case the Lease will be retained by the Company (the "Retained Leases") and the Hugo Boss Franchised Store in question will thereafter be operated by the Company under the applicable Franchise Agreement (which will be re-assigned to the Company). In respect of these Retained Leases, the Company will be obliged to pay £25,000 per store in respect of the Purchaser's costs of vacation. In the event that none of the Leases have been transferred to the Purchaser by the Longstop Date and the Purchaser has elected to vacate all of the Hugo Boss Franchised Stores on or after 29 February 2012, the Company will be obliged to pay in aggregate £375,000 to the Purchaser in respect of its cost of vacation. As these payments could, in aggregate exceed one per cent. of the Company's market capitalisation, these payments constitute a break fee under Chapter 10 of the Listing Rules and therefore require the approval of Shareholders at the General Meeting.

3. Employees

The Employees of the Company wholly or mainly engaged in the Hugo Boss Franchised Businesses and nine Employees who currently work at the Company's head office will be transferred to the Purchaser on Completion pursuant to the TUPE Regulations.

The Company has agreed to give certain customary indemnities to the Purchaser in respect of liabilities for claims arising in relation to the Employees' employment prior to Completion and in respect of any failure by the Company to comply with the TUPE Regulations. The Purchaser has agreed to give certain customary indemnities to the Company in respect of liabilities for claims arising in relation to the Employees' employment after Completion and in respect of any failure by the Purchaser to comply with the TUPE Regulations.

4. The purchase price and adjustments

In the event that all of the Leases are transferred to the Purchaser on the Completion Date, the consideration payable to the Company for the Hugo Boss Franchised Businesses will be £16.5 million (subject to subsequent adjustment to reflect the amount by which the transferred stock on the Completion Date is more or less than £4.2 million) payable in cash on the Completion Date.

In respect of any Lease not transferred on the Completion Date, the consideration payable on the Completion Date will be reduced by an agreed amount for that Lease (the "Deferred

Consideration”). The maximum Deferred Consideration is £12.3 million. The Deferred Consideration will be paid periodically in twice-monthly instalments and set off against any outstanding balance on the date of the transfer of the Lease(s) in question. The amounts of the instalments have been calculated by reference to the anticipated trading performance of the stores the subject of the relevant Leases.

In respect of any Retained Lease, no further Deferred Consideration will be payable in respect of that Lease (but, subject to what is said below, any Deferred Consideration already paid in respect of it will not be repayable).

In respect of any Retained Leases in respect of stores which are vacated by the Purchaser on 29 February 2012 (but not thereafter) an assessment will be made of the trading performance of the stores concerned. To the extent that this is in aggregate less than 70 per cent. of the aggregate performance of those stores which was assumed for the purposes of calculating the instalment payments referred to above the shortfall will be paid by the Company to the Purchaser. In respect of any Retained Leases in respect of stores which are vacated by the Purchaser on 29 February 2012 (but not thereafter), the Company will be obliged to pay £25,000 per store in respect of the Purchaser’s costs of vacation. In the event that none of the Leases have been transferred to the Purchaser by the Longstop Date and the Purchaser has elected to vacate all of the Hugo Boss Franchised Stores on 29 February 2012, the Company will be obliged to pay in aggregate £375,000 to the Purchaser in respect of its cost of vacation. As these payments could, in aggregate exceed one per cent. of the Company’s market capitalisation, the Listing Rules require these payments to be approved by Shareholders at the General Meeting.

The maximum Deferred Consideration payable (being £12.3 million if none of the Leases is transferred on the Completion Date) will be placed by the Purchaser into an escrow account on the Completion Date and all payments of the Deferred Consideration referred to above (plus interest) will be made out of that account.

5. Conduct of business before Completion

The Company has agreed to certain customary restrictions on the conduct of the Hugo Boss Franchised Businesses pending the Completion Date. In particular, the Company has covenanted to procure that the Hugo Boss Franchised Businesses will be carried on in the normal course and certain specified actions will not be taken by the Company without the consent of the Purchaser.

6. Warranties, indemnities, limitations and restrictive covenants

The Sale and Purchase Agreement contains a number of customary warranties and indemnities in favour of the Purchaser which are given as at the date of the Sale and Purchase Agreement.

The Company’s liability in respect of a breach of the Warranties is in most instances subject to certain limitations, including a time limit of 24 months from the Completion Date in which the Purchaser must give written notice to the Company of a claim (other than in relation to a claim under the tax warranties where the time limit is seven years). The Purchaser’s ability to recover for any breach of warranty is limited in most instances to £12.3 million in aggregate and the Company will only be liable in respect of claims for breach of warranty for claims which, in aggregate, exceed £100,000.

The Company will be subject to certain customary restrictive covenants in relation to the employees of the Hugo Boss Franchised Businesses for the period of one year from the date of Completion.

7. Law

The Sale and Purchase Agreement is governed by English law.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Company address

The registered office and the principal place of business in the UK of the Company is at 8 St. John's Hill, London SW11 1SA (telephone number +44 (0)20 7447 7200).

3. Directors' interests

- 3.1 As at 10 February 2011 (being the latest practicable date prior to the posting of this document), the aggregate interests of each of the Directors in the share capital of the Company which have been notified by each Director to the Company pursuant to DTRs 3.1.2R and 3.1.3R or the interests of persons connected with them which would, if the connected person were a Director, be required to be disclosed under DTRs 3.1.2R and 3.1.3R and the existence of which is known to, or could with reasonable diligence be ascertained by, that Director were as follows:

Director	Number of Shares	Percentage of issued share capital
Debbie Hewitt	295,265	0.31
Brian Brick	113,000	0.12
Robin Piggott	16,839	0.02

- 3.2 Under the LTIP, nil-cost options ("Options") over Shares have been granted to certain Directors. The Options vest and become exercisable over the Performance period, which expires on 31 January 2014, to the extent the applicable performance conditions have been met. The vested Options remain exercisable until the tenth anniversary of the date of the grant. As at 10 February 2011 (being the latest practicable date prior to the posting of this document), outstanding Options over Shares granted under the LTIP are held by the following Directors:

Name of Director	Date of grant	Number of Shares under Option	Exercise Price	Performance Period
Brian Brick	16 November 2009	5,128,205	Nil	16 November 2009 – 31 January 2014
Robin Piggott	8 October 2010	453,207	Nil	8 October 2010 – 31 January 2014

Awards made to the Directors under the Company's LTIP currently have performance conditions, the achievement of which would be affected by the Disposal. Following completion of the Disposal, it is intended that the Remuneration Committee, which may alter the performance conditions at its discretion, will consider appropriate amendments to the performance conditions to take into account the effect of the Disposal.

- 3.3 The following deferred bonus awards (“Deferred Bonus Awards”) have been granted to the Directors under schedule 2 to the LTIP and are outstanding as at 10 February 2011 (being the latest practicable date prior to the posting of this document):

<u>Name of Director</u>	<u>Date of grant</u>	<u>Number of Shares under Deferred Bonus Award</u>	<u>Exercise Price (pence)</u>	<u>Exercise period</u>
Brian Brick	30 April 2010	48,638	Nil	1 May 2013 – 30 April 2020

The Deferred Bonus Awards are normally exercisable from the third anniversary of the date of grant and are not subject to performance conditions.

- 3.4 Save as disclosed in paragraphs 3.1 to 3.3 above, the Directors do not have any interest in the issued share capital of the Company.
- 3.5 So far as the Company is aware, as at 10 February 2011 (being the latest practicable date prior to the posting of this document), the following persons (other than Directors) had notifiable interests in three per cent. or more of the issued share capital of the Company:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of the issued share capital</u>
HA Cann Settlement Accumulation and Maintenance Fund ⁽¹⁾	28,349,772	29.99
Laura Ashley Holdings Plc	9,499,937	10.05
Credit Agricole Cheuvreux International Limited	7,531,299	7.97
GS Pitt and PJ Moss ⁽²⁾	6,710,965	7.10
Gartmore Investment Management Limited	4,835,000	5.11
Schroder Investment Management Limited	4,600,000	4.87

Notes:

(1) Represented on the Board by Simon Berwin

(2) Represented on the Board by Mark Bernstein

4. Directors’ service agreements

The Company has entered into the following contracts with its Directors:

- (a) Brian Brick is employed as chief executive officer under a service contract dated 16 April 2009. Mr Brick is paid a basic annual salary of £250,000 and is eligible to receive a discretionary annual bonus based on Company performance. In addition he is entitled to contributions toward a private pension scheme, is provided with private medical insurance, life assurance, permanent health insurance, a clothing allowance and a company car allowance. The service contract may be terminated by either party upon twelve months’ notice. Mr Brick is entitled to salary and benefits for the duration of the notice period and is subject to a maximum twelve month non-compete covenant upon termination.
- (b) Robin Piggott is employed as finance director under a service contract dated 28 June 2010. Mr Piggott is paid a basic annual salary of £170,000 and is eligible to receive a discretionary annual bonus based on Company performance. In addition he is entitled to contributions toward a private pension scheme, is provided with private medical insurance, life assurance, permanent health insurance, a clothing allowance and a company car allowance. The service contract may be terminated by either party upon six months’ notice. Mr Piggott is entitled to salary and benefits for the duration of the notice period and is subject to a maximum twelve month non-compete covenant upon termination.

- (c) Under individual letters of appointment with the Company, each of the non-executive directors is entitled to the annual fees listed below:

Director	Date of Appointment	Fee
Debbie Hewitt	1 June 2009	£80,000
Mark Bernstein	19 December 2001	£30,000
Simon Berwin	29 May 2009	£30,000
Anthony Bogod	25 May 2007	£37,500
Maurice Helfgott	19 October 2010	£37,500

5. Material contracts

5.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group (a) in the two years immediately preceding the date of this document and are, or may be, material to the Group or (b) contain provisions under which any member of the Continuing Group has any obligation or entitlement which is material to the Group as at the date of this document:

- (a) the Sale and Purchase Agreement, the principal terms of which are set out in Part IV of this document; and
- (b) the Sponsor's Agreement with Altium dated 31 January 2011, pursuant to which the Company appointed Altium as sponsor in connection with the Disposal. The Sponsor's Agreement contains, amongst other things, certain warranties, undertakings and indemnities given by the Company to Altium which are customary for an agreement of this nature. The Company has agreed to pay Altium a fee of £100,000 (together with its reasonably incurred legal fees and expenses) in connection with the Disposal.

5.2 Save for the contracts referred to in paragraph 5.1 above, no contracts (not being contracts entered into in the ordinary course of business) have been entered into (a) in the two years immediately preceding the date of this document which are, or may be, material to the Group or (b) contain provisions under which the Group has any obligation or entitlement which is material to the Group as at the date of this document.

6. Working capital of the Continuing Group

The Company is of the opinion that, taking into account available bank and other facilities and the net proceeds of the Disposal, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

7. Litigation

7.1 There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Continuing Group.

7.2 There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Hugo Boss Franchised Businesses.

8. Significant change

8.1 There has been no significant change in the financial or trading position of the Continuing Group since 31 July 2010, being the date of the last interim financial statements of the Company.

8.2 There has been no significant change in the financial or trading position of the Hugo Boss Franchised Businesses since 31 July 2010, being the date to which the financial information set out in Part III of this document has been prepared.

9. Consent

- 9.1 Altium Capital Limited has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which it appears.
- 9.2 Hawkpoint Partners Limited has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which it appears.
- 9.3 Deloitte LLP (a member of the Institute of Chartered Accountants in England and Wales) has given and has not withdrawn its written consent to the inclusion in this document of its letter set out in Part III, in the form and context in which it appears.

10. Documents available for inspection and available information

Copies of the following documents will be available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA and at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting:

- (a) the memorandum and articles of association of the Company;
- (b) the published audited consolidated accounts of the Group for the two financial years ended 30 January 2010;
- (c) the opinion by Deloitte LLP set out in Part III of this document;
- (d) the Sale and Purchase Agreement;
- (e) the letters of consent referred to in paragraph 9 above; and
- (f) this document.

PART VI
DEFINITIONS

The following definitions apply throughout this document and the accompanying Notice of General Meeting and Form of Proxy, unless the context otherwise requires:

“Altium” or “Sponsor”	Altium Capital Limited
“Business Days”	a day (excluding Saturdays) on which banks generally are open in the City of London for the transaction of normal banking business
“Company” or “Moss Bros”	Moss Bros Group PLC
“Completion”	the completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	1 April 2011
“Continuing Group”	the Group following the disposal of the Hugo Boss Franchised Businesses
“Deferred Consideration”	has the meaning given to it on page 19 of this document
“Directors” or “Board”	the directors of the Company as at the date of this document whose names are set out on page 4 of this document
“Disposal”	the sale of the Hugo Boss Franchised Businesses to the Purchaser on the terms of the Sale and Purchase Agreement
“DTRs”	the FSA’s Disclosure Rules and Transparency Rules
“Employees”	the employees of the Company wholly or mainly engaged in the Hugo Boss Franchised Businesses and nine employees who currently work at the Company’s head office
“Financial Services Authority” or “FSA”	the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA
“Form of Proxy”	the form of proxy relating to the General Meeting being sent to Shareholders with this document
“Franchise Agreements”	the franchise agreements entered into between the Company and Hugo Boss AG relating to the Hugo Boss Franchised Businesses with commencement dates from 1 October 1996 to 1 November 2010
“FSMA”	the Financial Services and Markets Act 2000 of England and Wales, as amended
“General Meeting”	the general meeting of the Company convened for 3 March 2011 (or any adjournment of it), notice of which is set out at the end of this document
“Group”	the Company and its existing subsidiary undertakings
“Hugo Boss Franchised Businesses”	the business, assets, leases and employees of the Hugo Boss Franchised Stores, which retail Hugo Boss branded menswear
“Hugo Boss Franchised Stores”	the 15 branded retail stores in the UK, currently operated by the Company under the Franchise Agreements, forming part of the Hugo Boss Franchised Businesses
“Lease” or “Leases”	the leases entered into between the Company and the landlords relating to the leasehold properties relating to each Hugo Boss Franchised Store and forming part of the Hugo Boss Franchised Businesses

“Listing Rules”	the listing rules made by the FSA under Part VI of FSMA (as amended from time to time)
“Longstop Date”	31 December 2011
“LTIP”	the Moss Bros Group PLC 2009 Long Term Incentive Plan
“Moss Bespoke”	the brand under which the Company provides customised menswear tailoring services
“Official List”	the Official List of the Financial Services Authority
“Ordinary Shares” or “Shares”	ordinary shares of 5 pence each in the capital of the Company
“Proposals”	the Disposal and the payment of a break fee pursuant to the terms of the Sale and Purchase Agreement, as described in more detail on page 19 of this document
“Purchaser”	Hugo Boss UK Limited
“Resolutions”	the resolutions set out in the notice of the General Meeting
“Sale and Purchase Agreement”	the conditional agreement between the Company and the Purchaser dated 4 February 2011 relating to the sale and purchase of the Hugo Boss Franchised Businesses, the principal terms of which are set out in Part V of this document
“Shareholder(s)”	holder(s) of Shares
“TUPE Regulations”	the Transfer of Undertakings (Protection of Employment) Regulations 1981 and the Transfer of Undertakings (Protection of Employment) Regulations 2006
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

MOSS BROS GROUP PLC

Registered in England and Wales No: 00134995

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Moss Bros Group PLC will be held at 10.00 a.m. on 3 March 2011 at 8 St. John's Hill, London SW11 1SA for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

THAT:

1. subject to the passing of Resolution 2 below, the proposed disposal by the Company of the Hugo Boss Franchised Businesses (the "Disposal") be and is hereby approved on the terms contained in the sale and purchase agreement (the "SPA") dated 4 February 2011 between the Company and Hugo Boss UK Limited and set out in the circular to the Company's shareholders dated 11 February 2011 accompanying this notice (the "Circular"), with such non-material amendments to the terms of the Disposal and/or the SPA as the Directors of the Company (or any duly constituted committee thereof) may consider appropriate; and
2. subject to the passing of Resolution 1 above, the terms of the SPA relating to the payment by the Company to the Purchaser of £25,000 per store in respect of any Retained Leases (as defined in the Circular) which are vacated by the Purchaser on 29 February 2012 (but not thereafter), which could in aggregate exceed one per cent. of the Company's market capitalisation and therefore constitute a break fee under Chapter 10 of the Listing Rules (as defined in the Circular), be and is hereby approved.

By order of the Board
Julia Stephens
Secretary

Registered Office:
8 St. John's Hill,
London
SW11 1SA

11 February 2011

Notes:

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 1 March 2011 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the General Meeting. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form of proxy for the General Meeting is enclosed.

To be valid any proxy form or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by our registrar Capita Registrars at PXS, 35 Beckenham Road, Beckenham, Kent BR3 4TU or not less than 48 hours before the time of the meeting. If you are a CREST member, see note 3 below. Alternatively, a member may appoint a proxy electronically, or may wish to vote electronically online, at www.capitashareportal.com. Please see the form of proxy for further details.

Completion of a form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

3. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have

appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland (formerly CRESTCo) specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent by the latest time(s) for receipt of proxy appointments specified in the notice of the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland (formerly CRESTCo) does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Shares.
6. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
7. As at 10 February 2011 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 94,530,752 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 94,530,752.
8. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including this Circular and any proxy form) to communicate with the Company for any purposes other than those expressly stated.