

June 8, 2011



# Men's Wearhouse Reports Fiscal 2011 First Quarter Results

- Q1 2011 GAAP diluted earnings per share was \$0.52 and adjusted diluted earnings per share was \$0.53
- Company provides guidance for second quarter and updated guidance for full year of fiscal 2011
- Conference call at 5:00 pm Eastern today

HOUSTON, June 8, 2011 /PRNewswire/ -- The Men's Wearhouse (NYSE: MW) today announced its consolidated financial results for the first quarter ended April 30, 2011.

## First Quarter Net Sales Summary – Fiscal 2011

	Total Net Sales		Comparable Store Sales	
	U.S. dollars, in millions	Change %	Change %	(c)
	Current Year	Prior Year	Current Year	Prior Year
Total Company	\$ 580.4(a)	\$ 473.5(a)	22.6%	
Total Retail Segment	\$ 520.7	\$ 469.8	10.8%	
MW	354.7	318.3	11.4%	10.8% 2.4%
K&G	106.7	98.3	8.6%	9.3% - 4.9%
Moore's Canada	53.2	47.4	12.2%	6.0% (b) 0.2% (b)
Corporate Apparel Segment	\$ 59.7	\$ 3.7	1,521.1%	

(a) Due to rounded numbers, total Company may not sum.

(b) Comparable store sales change is based on the Canadian dollar.

(c) Does not include ecommerce sales.

GAAP diluted earnings per share were \$0.52 for the first quarter ended April 30, 2011.

Adjusted diluted earnings per share were \$0.53 after excluding \$0.7 million (\$0.4 million after tax or \$0.01 per diluted share outstanding) in acquisition integration expenses. This compares to adjusted diluted earnings per share updated guidance given May 5, 2011 of \$0.47 to \$0.50 and original guidance given March 9, 2011 of \$0.27 to \$0.30. In first quarter of 2010, GAAP diluted earnings per share were \$0.26.

## **FIRST Quarter REVIEW**

Total Company net sales increased 22.6% for the quarter.

In our retail segment, comparable store sales increased at each of our brands due to increased units per transaction, higher average ticket and, at K&G and Moores, an increase in customer traffic. There was also a 3.9% comparable store sales increase in tuxedo rental services revenues.

Corporate apparel segment net sales increased \$56.0 million to \$59.7 million for the quarter compared to the same prior year quarter. The increase was primarily due to US\$54.0 million in revenues from our acquisitions of Dimensions and Alexandra in the UK on August 6, 2010.

Total gross margin, as a percentage of total net sales, was flat at 42.5%. Occupancy costs as a percent of sales decreased, alteration margin as a percent of sales increased and tuxedo rental margins increased. These increases were offset by a decrease in retail segment clothing margin as a percent of sales, which resulted mainly from increased promotions, and the increased mix of the lower margin corporate apparel segment.

Selling, general and administrative expenses were \$203.0 million for the first quarter and increased 13.0% from the prior year's SG&A of \$179.7 million. Excluding \$0.7 million in acquisition integration costs, first quarter SG&A expenses were \$202.3 million or an increase of 12.6% to the prior year quarter. Adjusted SG&A related to the acquired UK operations resulted in an 8.0% increase. The remaining 4.6% adjusted increase was primarily due to increased payroll related costs and increased expenses associated with increased sales. As a percentage of total net sales, adjusted SG&A decreased 308 basis points from 37.9% to 34.9%.

Operating income was \$43.6 million. Excluding \$0.7 million in acquisition integration costs, operating income was \$44.3 million or 7.6% of total net sales. This compares with the prior year operating income of \$21.4 million or 4.5% of total net sales.

The financial results of the combined UK operations, excluding acquisition integration costs, were \$0.01 accretive to the Company's first quarter diluted earnings per share. Integration costs were \$0.7 million (\$0.4 million after tax or \$0.01 per diluted share outstanding).

Total inventories of \$521.1 million increased 18.8% from the prior year first quarter of \$438.7 million. Excluding inventory from the acquired UK operations, inventories decreased 1.1%.

The Company had no borrowings under its bank credit facility at the end of first quarter fiscal 2011.

During the quarter, the Company repurchased 1.8 million shares for a total of \$49.0 million.

## 2011 GUIDANCE

For the fiscal year, GAAP diluted earnings per share is expected to be in a range of \$2.00 to \$2.08. Adjusted diluted earnings per share are expected to be in a range of \$2.04 to \$2.12. Adjusted earnings per share exclude acquisition integration expenses of \$3.5 million (\$2.2 million after tax or \$0.04 per diluted share outstanding).

For the second quarter of the fiscal year, GAAP diluted earnings per share is expected to be in a range of \$1.01 to \$1.04. Adjusted diluted earnings per share are expected to be in a range of \$1.02 to \$1.05. Adjusted earnings per share exclude acquisition integration expenses of \$0.9 million (\$0.6 million after tax or \$0.01 per diluted share outstanding).

The financial results of the combined UK acquisitions, excluding acquisition integration expenses, are expected to be accretive to the Company's full year and second quarter diluted earnings per share.

	Guidance	Guidance
	FY 2011	2Q FY 2011
Total Sales Increase	12% to 13% (1)	20% to 21% (1)
Comparable Store Sales Growth (2)		
MW	+5% to +7%	+8% to +9%
K&G	+3% to +4%	+2% to +3%
Moores	+2% to +3%	+6% to +7%
Gross Profit Margin	43.05% to 43.25% (3)	46.65% to 46.80% (3)
S G & A (as % of Sales)	36.00% to 36.20% (4)	33.65% to 33.80% (4)

Effective Tax Rate	35.7%	35.9%
Weighted Average Shares Outstanding (millions)	52.0	51.8
GAAP EPS	\$2.00 to \$2.08	\$1.01 to \$1.04
Adjusted EPS	\$2.04 to \$2.12 (4)	\$1.02 to \$1.05 (4)
Foreign Exchange Conversion (avg.)		
US Dollar to GBP	1.60	1.59
US Dollar to Canadian Dollar	1.03	1.03

Footnotes to Guidance:

1. Includes US\$224 million for full year FY 2011 and US\$63 million for 2Q FY2011 of sales from acquired operations of Dimensions and Alexandra.
2. Includes an assumed U.S. comparable store increase in tuxedo rental revenues of 7% to 8% for the full year FY 2011 and a 6% to 7% increase in 2Q FY 2011.
3. Occupancy costs are expected to be flat for full year FY 2011 and decrease low single digit for 2Q FY 2011.
4. Excludes acquisition integration costs.

## CONFERENCE CALL AND WEBCAST INFORMATION

At 5:00 p.m. Eastern time on Wednesday, June 8, 2011, Company management will host a conference call and real time webcast to review the first quarter of fiscal 2011 and its outlook for the second quarter and full year of fiscal 2011.

To access the conference call, dial 480-629-9819. To access the live webcast presentation, visit the Investor Relations section of the Company's website at [www.menswearhouse.com](http://www.menswearhouse.com). A telephonic replay will be available through June 15, 2011 by calling 303-590-3030 and entering the access code of 4444587#, or a webcast archive will be available free on the website for approximately 90 days.

## STORE INFORMATION

April 30, 2011    May 1, 2010    January 29, 2011

Number    Sq. Ft.    Number    Sq. Ft.    Number    Sq. Ft.  
of Stores (000's) of Stores (000's) of Stores (000's)

Men's Wearhouse        587    3,340.0    582    3,292.7    585    3,319.0

Men's Wearhouse and Tux    382    528.4    447    614.1    388    535.7

Moore's, Clothing for Men    117    737.4    117    735.5    117    737.8

K&G (a)                    101    2,392.4    106    2,465.6    102    2,394.1

Total                    1,187    6,998.2    1,252    7,107.9    1,192    6,986.6

(a) 91, 95 and 91 stores, respectively, offering women's apparel.

Founded in 1973, Men's Wearhouse is one of North America's largest specialty retailers of men's apparel with 1,187 stores. The Men's Wearhouse, Moore's and K&G stores carry a full selection of designer, brand name and private label suits, sport coats, furnishings and accessories and Men's Wearhouse and Tux stores carry a limited selection. Tuxedo rentals are available in the Men's Wearhouse, Moore's and Men's Wearhouse and Tux stores. Additionally, Men's Wearhouse operates a global corporate apparel and workwear group consisting of TwinHill in the United States and Dimensions and Alexandra in the United Kingdom.

This press release contains forward-looking information. The forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation

Reform Act of 1995. These forward-looking statements may be significantly impacted by various factors, including sensitivity to economic conditions and consumer confidence, possibility of limited ability to expand Men's Wearhouse stores, possibility that certain of our expansion strategies may present greater risks, changes in foreign currency rates and other factors described in the Company's annual report on Form 10-K for the fiscal year ended January 29, 2011.

For additional information on Men's Wearhouse, please visit the company's website at [www.menswearhouse.com](http://www.menswearhouse.com). The website for K&G is [www.kgstores.com](http://www.kgstores.com). The website for Moores is [www.mooreclothing.com](http://www.mooreclothing.com). The website for Dimensions is [www.dimensions.co.uk](http://www.dimensions.co.uk), the website for Alexandra is [www.alexandra.co.uk](http://www.alexandra.co.uk) and the website for TwinHill is [www.twinhill.com](http://www.twinhill.com).

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

In thousands, except per share data

(Unaudited)

FOR THE THREE MONTHS ENDED

April 30, 2011 AND May 1, 2010

(In thousands, except per share data)

	Three Months Ended		Variance				
	% of	% of	Basis				
	2011	Sales	2010	Sales	Dollar	%	Points
Net sales:							
Retail clothing product	\$ 410,261	70.69%	\$ 364,690	77.03%	\$ 45,571	12.50%	(6.34)
Tuxedo rental services	73,141	12.60%	72,154	15.24%	987	1.37%	(2.64)
Alteration and other services	37,309	6.43%	32,941	6.96%	4,368	13.26%	(0.53)

Total retail  
sales 520,711 89.72% 469,785 99.22% 50,926 10.84% (9.50)

Corporate  
apparel  
clothing  
product sales 59,673 10.28% 3,681 0.78% 55,992 1,521.11% 9.50

Total net  
sales 580,384 100.00% 473,466 100.00% 106,918 22.58% 0.00

Total cost of  
sales 333,751 57.51% 272,463 57.55% 61,288 22.49% (0.04)

Gross margin  
(a):

Retail  
clothing  
product 222,888 54.33% 200,100 54.87% 22,788 11.39% (0.54)

Tuxedo rental  
services 63,334 86.59% 60,828 84.30% 2,506 4.12% 2.29

Alteration and  
other services 11,008 29.50% 8,877 26.95% 2,131 24.01% 2.56

Occupancy  
costs (67,171) (12.90%) (69,691) (14.83%) 2,520 3.62% 1.93

Total retail  
gross margin 230,059 44.18% 200,114 42.60% 29,945 14.96% 1.58

Corporate  
apparel  
clothing  
product margin 16,574 27.77% 889 24.15% 15,685 1,764.34% 3.62

Total gross  
margin 246,633 42.49% 201,003 42.45% 45,630 22.70% 0.04

Selling,  
general and  
administrative  
expenses 202,996 34.98% 179,650 37.94% 23,346 13.00% (2.97)

Operating  
income 43,637 7.52% 21,353 4.51% 22,284 104.36% 3.01

Net interest (268) (0.05%) (225) (0.05%) (43) (19.11%) 0.00

Earnings

before income

taxes 43,369 7.47% 21,128 4.46% 22,241 105.27% 3.01

Provision for

income taxes 16,177 2.79% 7,566 1.60% 8,611 113.81% 1.19

Net earnings

including

noncontrolling

interest 27,192 4.69% 13,562 2.86% 13,630 100.50% 1.82

Net loss

attributable

to

noncontrolling

interest 233 0.04% - 0.00% 233 100.00% 0.04

Net earnings

attributable

to common

shareholders \$ 27,425 4.73% \$ 13,562 2.86% \$ 13,863 102.22% 1.86

Net earnings

per diluted

common share

attributable

to common

shareholders \$ 0.52 \$ 0.26

Weighted

average

diluted common

shares

outstanding: 52,197 52,628

(a) Gross margin percent of sales is calculated as a percentage of related sales.

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

April 30, May 1,

2011 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 145,657	\$ 219,562
Accounts receivable, net	72,004	24,640
Inventories	521,082	438,671
Other current assets	67,911	67,510
Total current assets	806,654	750,383

Property and equipment, net 329,592 336,771

Tuxedo rental product, net 95,180 101,731

Goodwill 91,021 60,780

Intangible assets, net 38,343 3,225

Other assets 7,642 13,465

Total assets \$ 1,368,432 \$ 1,266,355

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable \$ 153,144 \$ 99,720

Accrued expenses and other current liabilities 170,847 136,183

Income taxes payable 597 2,826

Current maturities of long-term debt - 45,780

Total current liabilities 324,588 284,509

Deferred taxes and other liabilities	70,736	62,741
Total liabilities	395,324	347,250
Equity:		
Preferred stock	-	-
Common stock	714	707
Capital in excess of par	343,846	329,030
Retained earnings	1,024,168	964,834
Accumulated other comprehensive income	52,793	37,304
Treasury stock, at cost	(461,760)	(412,770)
Total equity attributable to common shareholders	959,761	919,105
Noncontrolling interest	13,347	-
Total equity	973,108	919,105
Total liabilities and equity	\$ 1,368,432	\$ 1,266,355

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

FOR THE THREE MONTHS ENDED

April 30, 2011 AND May 1, 2010

(In thousands)

Three Months Ended

2011 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Net earnings including noncontrolling interest \$ 27,192 \$ 13,562

Non-cash adjustments to net earnings:

Depreciation and amortization 18,652 18,690

Tuxedo rental product amortization 5,546 6,978

Other 9,823 9,312

Changes in assets and liabilities 17,821 732

Net cash provided by operating activities 79,034 49,274

CASH FLOWS FROM INVESTING ACTIVITIES:

Capital expenditures (14,284) (11,099)

Proceeds from sales of property and equipment 22 -

Net cash used in investing activities (14,262) (11,099)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of common stock 1,539 783

Cash dividends paid (6,409) (4,756)

Tax payments related to vested deferred stock units (2,955) (2,656)

Excess tax benefits from share-based plans 691 763

Purchase of treasury stock (48,999) (144)

Net cash used in financing activities (56,133) (6,010)

Effect of exchange rate changes	647	1,379
INCREASE IN CASH AND CASH EQUIVALENTS	9,286	33,544
Balance at beginning of period	136,371	186,018
Balance at end of period	\$ 145,657	\$ 219,562

SOURCE The Men's Wearhouse