

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the Quarterly Period Ended August 2, 2008

Commission File Number 0-15898

**CASUAL MALE RETAIL GROUP, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

04-2623104  
(IRS Employer Identification No.)

555 Turnpike Street, Canton, MA  
(Address of principal executive offices)

02021  
(Zip Code)

(781) 828-9300  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting  
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of common stock outstanding as of August 15, 2008 was 41,413,015.

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	<u>August 2, 2008</u> <u>(unaudited)</u>	<u>February 2, 2008</u>
<b>ASSETS</b>		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 5,643	\$ 5,293
Accounts receivable	2,503	2,813
Inventories	112,742	117,787
Deferred income taxes	8,105	8,885
Prepaid expenses and other current assets	12,144	11,503
Total current assets	141,137	146,281
Property and equipment, net of accumulated depreciation and amortization	60,794	62,156
<i>Other assets:</i>		
Goodwill	62,336	60,660
Other intangible assets	36,807	35,191
Deferred income taxes	19,195	19,732
Other assets	1,255	1,341
Total assets	\$ 321,524	\$ 325,361
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<i>Current liabilities:</i>		
Current portion of long-term debt	\$ 4,874	\$ 4,874
Current portion of deferred gain on sale-leaseback	1,465	1,465
Accounts payable	29,125	34,187
Accrued expenses and other current liabilities	21,313	23,808
Notes payable	44,896	40,978
Total current liabilities	101,673	105,312
<i>Long-term liabilities:</i>		
Deferred gain on sale-leaseback, net of current portion	24,180	24,912
Long-term debt, net of current portion	10,013	12,450
Other long-term liabilities	590	746
Total liabilities	136,456	143,420
<i>Stockholders' equity:</i>		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding at August 2, 2008 and February 2, 2008	—	—
Common stock, \$0.01 par value, 75,000,000 shares authorized, 52,290,620 and 52,266,840 shares issued at August 2, 2008 and February 2, 2008, respectively	523	523
Additional paid-in capital	272,607	271,354
Retained earnings (accumulated deficit)	1,148	(835)
Treasury stock at cost, 10,877,439 shares at August 2, 2008 and February 2, 2008	(87,977)	(87,977)
Accumulated other comprehensive loss	(1,233)	(1,124)
Total stockholders' equity	185,068	181,941
Total liabilities and stockholders' equity	\$ 321,524	\$ 325,361

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

(Unaudited)

	For the three months ended		For the six months ended	
	August 2, 2008	August 4, 2007	August 2, 2008	August 4, 2007
Sales	\$ 113,475	\$ 113,529	\$ 221,117	\$ 224,160
Cost of goods sold, including occupancy	62,137	60,699	121,440	120,706
Gross profit	51,338	52,830	99,677	103,454
Expenses:				
Selling, general and administrative	43,485	42,875	86,805	86,217
Depreciation and amortization	4,107	4,194	8,275	8,218
Total expenses	47,592	47,069	95,080	94,435
Operating income	3,746	5,761	4,597	9,019
Other income, net	132	138	262	276
Interest expense, net	(733)	(1,070)	(1,554)	(1,877)
Income from continuing operations before income taxes	3,145	4,829	3,305	7,418
Provision for income taxes	1,258	1,931	1,322	2,965
Income from continuing operations	1,887	2,898	1,983	4,453
Loss from discontinued operations, net of taxes	—	(425)	—	(854)
Net income	\$ 1,887	\$ 2,473	\$ 1,983	\$ 3,599
Net income per share – basic				
Income from continuing operations	\$ 0.05	\$ 0.07	\$ 0.05	\$ 0.11
Loss from discontinued operations	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.02)
Net income per share – basic	\$ 0.05	\$ 0.06	\$ 0.05	\$ 0.09
Net income per share – diluted				
Income from continuing operations	\$ 0.05	\$ 0.07	\$ 0.05	\$ 0.10
Loss from discontinued operations	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.02)
Net income per share – diluted	\$ 0.05	\$ 0.06	\$ 0.05	\$ 0.08
Weighted average number of common shares outstanding				
- basic	41,405	41,606	41,398	41,899
- diluted	41,689	43,338	41,690	43,878

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)  
(Unaudited)

	Six Months Ended	
	August 2, 2008	August 4, 2007
Cash flows from operating activities:		
Net income	\$ 1,983	\$ 3,599
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Loss from discontinued operations, net of tax	—	(854)
Depreciation and amortization	8,275	8,218
Amortization of deferred gain from sale-leaseback	(732)	(733)
Issuance of common stock to Board of Directors	103	95
Stock-based compensation expense	1,150	851
Loss from disposal of property and equipment	113	17
Changes in operating assets and liabilities:		
Accounts receivable	48	71
Inventories	5,045	(5,205)
Prepaid expenses	(526)	(2,116)
Other assets	28	(94)
Accounts payable	(6,062)	(7,385)
Income taxes payable	1,202	648
Accrued expenses and other current liabilities	(1,427)	(1,189)
Net cash provided by (used for) operating activities	<u>9,200</u>	<u>(4,077)</u>
Cash flows from investing activities:		
Additions to property and equipment	(6,760)	(10,542)
Payment of Rochester earn-out provision	(1,333)	(1,333)
Acquisition of Dahle's Big and Tall stores	(2,500)	—
Net proceeds from sale of subsidiary, LP Innovations, Inc.	262	138
Net cash used for investing activities	<u>(10,331)</u>	<u>(11,737)</u>
Cash flows from financing activities:		
Net borrowings under credit facility	3,918	36,092
Proceeds from secured note	—	17,376
Principal payments on long-term debt	(2,437)	(688)
Repurchase of common stock	—	(46,475)
Issuance of common stock under option program and warrants	—	10,086
Net cash provided by financing activities	<u>1,481</u>	<u>16,391</u>
Net change in cash and cash equivalents	350	577
Cash and cash equivalents:		
Beginning of the period	5,293	5,325
End of the period	<u>\$ 5,643</u>	<u>\$ 5,902</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

For the six months ended August 2, 2008

(In thousands)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Treasury Stock</u>		<u>Retained earnings (accumulated deficit)</u>	<u>Accumulated other comprehensive loss</u>	<u>Total</u>
	<u>Shares</u>	<u>Amounts</u>		<u>Shares</u>	<u>Amounts</u>			
Balance at February 2, 2008	<u>52,267</u>	<u>\$ 523</u>	<u>\$271,354</u>	<u>(10,877)</u>	<u>\$(87,977)</u>	<u>\$ (835)</u>	<u>\$ (1,124)</u>	<u>\$181,941</u>
Stock-based compensation expense			1,150					1,150
Board of Directors compensation	24	—	103					103
Other comprehensive loss- foreign currency							(109)	(109)
Net income						1,983		1,983
Total comprehensive income								1,874
Balance at August 2, 2008	<u>52,291</u>	<u>\$ 523</u>	<u>\$272,607</u>	<u>(10,877)</u>	<u>\$(87,977)</u>	<u>\$ 1,148</u>	<u>\$ (1,233)</u>	<u>\$185,068</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**CASUAL MALE RETAIL GROUP, INC.,**  
**Notes to Consolidated Financial Statements**

**1. Basis of Presentation**

In the opinion of management of Casual Male Retail Group, Inc., a Delaware corporation (the “Company”), the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company’s audited consolidated financial statements for the fiscal year ended February 2, 2008 included in the Company’s Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 26, 2008.

The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company’s results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company’s business historically has been seasonal in nature, and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The Company’s fiscal year is a 52- or 53- week period ending on the Saturday closest to January 31. Fiscal 2008 is a 52-week period ending on January 31, 2009. Fiscal 2007 was a 52-week period ending on February 2, 2008.

Prior Year Reclassifications

Results for the second quarter and first six months of fiscal 2007 have been restated to reflect the operating results of the Company’s Jared M. business as discontinued operations. See Note 5, “Discontinued Operations.”

Segment Information

The Company reports its operations as one reportable segment, Big & Tall Men’s Apparel, which consists of two operating segments—Casual Male and Rochester. The Company considers its operating segments to be similar in terms of economic characteristics, production processes and operations, and have therefore aggregated them into a single reporting segment.

Adoption of New Accounting Pronouncements

The Company has adopted the following financial accounting standards as of February 2, 2008:

*Statement of Financial Accounting Standard No. 157 (FAS 157), “Fair Value Measurements”*. FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

*Statement of Financial Accounting Standard No. 159 (FAS 159), “The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115”*. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates.

The adoption of FAS 157 and FAS 159 did not have a material impact on the Company’s consolidated financial results.

Goodwill

The Company accounts for goodwill pursuant to SFAS No. 141, *Business Combinations*, and SFAS No. 142, *Goodwill and Other Intangible Assets*. Pursuant to SFAS 142, at least annually, the Company evaluates goodwill, based on its two separate operating segments, its Casual Male business and its Rochester business, by comparing the current carrying value of goodwill with the fair value of the net assets of the Company. The goodwill assigned to each operating segment represents the initial purchase price allocation to goodwill as a result of their respective acquisitions.

Stock-based Compensation

The Company accounts for stock-based compensation pursuant to the provisions of Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), which requires that all share-based payments, including grants of employee stock options, be recognized as an expense in the statement of operations based on their fair values and vesting periods. The fair value of stock options is determined using the Black-Scholes valuation model and requires the input of subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (the “expected term”), the estimated volatility of the Company’s common stock price over the expected term and the number of options that will ultimately not complete their vesting requirements (“forfeitures”). As required under the accounting rules, the Company reviews its valuation assumptions at each grant date and, as a result, is likely to change its valuation assumptions used to value

employee stock-based awards granted in future periods. The values derived from using the Black-Scholes model are recognized as expense over the vesting period, net of estimated forfeitures. The estimation of stock-based awards that will ultimately vest requires significant judgment. Actual results, and future changes in estimates, may differ from the Company's current estimates.

For the first six months of fiscal 2008 and fiscal 2007, the Company recognized total compensation expense of \$1.1 million and \$0.9 million, respectively. The total compensation cost related to non-vested awards not yet recognized as of August 2, 2008 is approximately \$3.5 million which will be expensed over a weighted average remaining life of 23.3 months.

#### Valuation Assumptions for Stock Options

For the first six months of fiscal 2008 and fiscal 2007, 1.1 million and 0.6 million stock options were granted, respectively. The weighted-average exercise price of the 1.1 million stock options was \$4.46 per share. The fair value of each option was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants for the six months ended August 2, 2008 and August 4, 2007:

	<u>August 2, 2008</u>	<u>August 4, 2007</u>
Expected volatility	45.0%	40.0%
Risk-free interest rate	2.39% - 3.15%	4.50% - 4.57%
Expected life	3.0 - 4.5 yrs	2.0 - 3.0 yrs.
Dividend rate	—	—

Expected volatilities are based on historical volatilities of the Company's common stock; the expected life represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and historical exercise patterns; and the risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option.

There were no material exercises of options or warrants during the first six months of fiscal 2008.

## **2. Debt**

### ***Credit Agreement with Bank of America Retail Group, Inc.***

At August 2, 2008, the Company had outstanding borrowings of \$44.9 million under its credit facility, as most recently amended December 20, 2007, with Bank of America, N.A. (the "Credit Facility"). The maturity date of the Credit Facility is October 29, 2011. Outstanding standby letters of credit were \$2.2 million and outstanding documentary letters of credit were \$3.0 million. Average monthly borrowings outstanding under this facility during the first six months of fiscal 2008 were approximately \$50.2 million, resulting in an average unused excess availability of approximately \$44.8 million. Unused excess availability at August 2, 2008 was \$43.6 million. The Company's obligations under the Credit Facility are secured by a lien on all of its assets. The Company is not subject to any financial covenants pursuant to this Credit Facility.

The fair value of amounts outstanding under the Credit Facility approximates the carrying value at August 2, 2008. At the Company's option, any portion of the outstanding borrowings can be converted to LIBOR-based contracts; the remainder bears interest based on prime. At August 2, 2008, the prime-based interest rate was 5.00%. The Company had approximately \$37.0 million of its outstanding borrowings in LIBOR-based contracts with interest rates ranging from 3.68% to 5.21%. The LIBOR-based contracts expire at various dates between August 10, 2008 and August 24, 2008.

### ***Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC***

On July 20, 2007, the Company entered into a Master Loan and Security Agreement (the "Master Agreement") with Banc of America Leasing & Capital, LLC ("BALC") for equipment financing. In conjunction with the Master Agreement, the Company entered into an Equipment Security Note (the "First Secured Note"), whereby it borrowed an aggregate of \$17.4 million from BALC. The First Secured Note is due July 20, 2011.

On January 16, 2008, the Company entered into a second Equipment Security Note (the "Second Secured Note") pursuant to the same terms and provisions of the Master Agreement, whereby it borrowed an additional \$2.1 million. The Second Secured Note is due January 16, 2012.

Both secured notes accrue interest at a per annum rate of 1.75% plus the rate of interest equal to the 30-day published LIBOR rate. Principal and interest, in arrears, are payable monthly, commencing one month after issuance of such note. At August 2, 2008, the outstanding balance of the secured notes was \$14.9 million.

Both notes are secured by a security interest in all of the Company's rights, title and interest in and to certain equipment. The Company is not subject to any financial covenants pursuant to the Master Agreement.

### 3. Equity

#### Earnings per Share

The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share:

	For the three months ended		For the six months ended	
	August 2, 2008	August 4, 2007	August 2, 2008	August 4, 2007
<i>(in thousands)</i>				
<b>Common Stock Outstanding</b>				
Basic weighted average common shares outstanding	41,405	41,606	41,398	41,899
Common Stock Equivalents -Stock options and warrants	284	1,732	292	1,979
Diluted weighted average common shares outstanding	<u>41,689</u>	<u>43,338</u>	<u>41,690</u>	<u>43,878</u>

The following potential common stock equivalents were excluded from the computation of diluted earnings per share in each period because the exercise price of such options and warrants was greater than the average market price per share of common stock for the respective periods.

	For the three months ended		For the six months ended	
	August 2, 2008	August 4, 2007	August 2, 2008	August 4, 2007
<i>(in thousands, except exercise prices)</i>				
Options	4,803	621	4,793	491
Warrants	1,058	—	1,058	—
Range of exercise prices of such options and warrants	\$ 4.13 - \$12.35	\$ 11.15 - \$12.35	\$ 4.17 - \$12.35	\$ 11.81 - \$12.35

The above options, which were outstanding and out-of-the-money at August 2, 2008, expire from June 14, 2011 to June 13, 2018.

### 4. Income Taxes

At August 2, 2008, the Company had total gross deferred tax assets of approximately \$28.5 million, with a corresponding valuation allowance of \$1.2 million. These tax assets principally relate to federal net operating loss carryforwards that expire from 2018 through 2024 and to a lesser extent book/tax timing differences. The valuation allowance is for losses associated with the Company's Canada operations and certain state net operating losses, the benefit of which may not be recognized due to short carryforward periods.



The Company complies with FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* (“FIN 48”). A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. The charge is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Pursuant to FIN 48, the Company will recognize the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. At August 2, 2008, the Company had no material unrecognized tax benefits based on the provisions of FIN 48.

The Company is subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has concluded all U.S. federal income tax matters for years through fiscal 1997, with remaining fiscal years subject to income tax examination by federal tax authorities.

The Company’s policy is to recognize accrued interest and penalties related to unrecognized tax benefits in its income tax provision. The Company has not accrued or paid interest or penalties which were material to its results of operations for the first six months of fiscal 2008.

## 5. Discontinued Operations

During the fourth quarter of fiscal 2007, the Company exited its Jared M. operations, and therefore results for the second quarter and first six months of fiscal 2007 have been reclassified to reflect the operating results of the Company’s Jared M. business as discontinued operations.

During the first quarter of fiscal 2008, the Company sold its Jared M. business to a third party for a cash purchase price of \$250,000. No material gain or loss was recognized on the sale.

The following table summarizes the results from discontinued operations from the Jared M. business for the second quarter and first six months of fiscal 2007:

<i>(in millions)</i>	<b>For the three months ended August 4, 2007</b>	<b>For the six months ended August 4, 2007</b>
Sales	\$ 0.7	\$ 1.4
Gross margin	0.3	0.7
Selling, general and administrative expenses	(1.0)	(2.0)
Depreciation and amortization	—	(0.1)
	<u>(0.7)</u>	<u>(1.4)</u>
Benefit from income taxes	(0.3)	(0.5)
Loss from discontinued operations, net of taxes	<u>\$ (0.4)</u>	<u>\$ (0.9)</u>

## 6. Accounting Pronouncements

In December 2007, the FASB issued FAS No. 141 (revised 2007), *Business Combinations*, (“FAS 141R”), which changes how business combinations are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. FAS 141R is effective January 1, 2009, and will be applied prospectively. The impact of adopting FAS 141R will depend on the nature and terms of future acquisitions.

In December 2007, the FASB issued FAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (“FAS 160”), which changes the accounting and reporting standards for the noncontrolling interests in a subsidiary in consolidated financial statements. FAS 160 recharacterizes minority interests as noncontrolling interests and requires noncontrolling interests to be classified as a component of shareholders’ equity. FAS 160 is effective January 1, 2009 and requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. The Company does not expect FAS 160 to have a material impact on its consolidated financial statements.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect" or "anticipate" or the negatives thereof, variations thereon or similar terminology. The forward-looking statements contained in this Quarterly Report are generally located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," but may be found in other locations as well. These forward-looking statements generally relate to plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. The forward-looking statements in this Quarterly Report should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from such forward-looking statements. We encourage readers to refer to Part I, Item 1A of our Annual Report on Form 10-K for the year ended February 2, 2008, filed with the Securities and Exchange Commission on March 26, 2008, which identifies certain risks and uncertainties that may have an impact on our future earnings and the direction of our Company.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances in which the forward-looking statement is based.

**BUSINESS SUMMARY**

Casual Male Retail Group, Inc. together with our subsidiaries (the "Company") is the largest specialty retailer of big & tall men's apparel with retail operations throughout the United States, Canada and London, England. We operate 463 Casual Male XL retail and outlet stores, 27 Rochester Clothing stores and a direct to consumer business, which includes several catalogs and e-commerce sites.

Unless the context indicates otherwise, all references to "we," "ours," "our," "us" and "the Company" refer to Casual Male Retail Group, Inc. and its consolidated subsidiaries. We refer to our fiscal years which end on January 31, 2009 and February 2, 2008 as "fiscal 2008" and "fiscal 2007," respectively.

When discussing sales growth, we refer to the term "comparable sales." Comparable sales for all periods discussed include our retail stores that have been open for at least one full year together with our e-commerce and catalog sales. Stores that may have been remodeled, expanded or re-located during the period are also included in our determination of comparable sales. We include our direct businesses as part of our calculation of comparable sales because we are a multi-channel retailer, offering our customers convenient alternatives for their shopping. The method of calculating comparable sales varies across the retail industry and, as a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

**RESULTS OF OPERATIONS**

*Financial Summary*

Our net income for the second quarter of fiscal 2008 was \$1.9 million, or \$0.05 per diluted share, as compared to \$2.5 million, or \$0.06 per diluted share, for the second quarter of fiscal 2007. For the first six months of fiscal 2008, net income was \$2.0 million, or \$0.05 per diluted share, as compared to \$3.6 million, or \$0.08 per diluted share, for the first six months of fiscal 2007.

Our shortfall in earnings for fiscal 2008 continues to be negatively impacted by the current economic trends. However, during the second quarter of fiscal 2008, we saw gradual improvement in our comparable sales as well as with our overall sales productivity, as measured by customer conversion and dollars per transaction. Our comparable sales increase of 0.3% for the second quarter of fiscal 2008 was up against a 3.9% comparable sales increase in fiscal 2007 and our year to date comparable sales decrease of 0.8% was up against a 5.0% comparable sales increase for the first six months of fiscal 2007. We anticipate some benefit in sales for the remainder of fiscal 2008, as our comparable sales percentage for the second half of fiscal 2007 was a decrease of 0.6%. In addition, we continue to be committed to managing our selling, general and administrative (“SG&A”) costs, while still working on investing in our marketing campaigns and growing our direct businesses.

From a financial position perspective, we have decreased our inventory position at the end of the second quarter by approximately 6% over the prior year second quarter and reduced our capital expenditures by approximately \$3.8 million as compared to the same period of the prior year. Our free cash flow (as defined below under “Presentation of Non-GAAP Measure”) for the first six months approximated \$2.4 million compared to negative free cash flow of \$14.6 million for the same time period last year. Our borrowings under our credit facility were \$44.9 million with unused availability under the facility of approximately \$43.6 million at the end of the second quarter.

Although our results through the end of the second quarter were in line with our expectations, we have reduced our earnings guidance for fiscal 2008 by \$0.03 per diluted share to approximately \$0.22-\$0.27 per diluted share. The earnings guidance was adjusted primarily as a result of expectations of continued weakness in the economy and softness in traffic and sales trends. We have also included incremental SG&A expenses in the fourth quarter of fiscal 2008 for our recently acquired store locations from Dahle Management Corporation, which is discussed below under “Liquidity and Capital Resources.”

Our overall objective for this fiscal year continues to be to increase our market share by:

- intensifying our goal of improving market share by increasing our marketing spend to almost 8% of sales, up from just over 7% in fiscal 2007. This increase supports the mass media marketing campaign which we launched during the second quarter of fiscal 2008, without compromising our traditional direct mail campaigns;
- increasing focus on customer service by providing better sales training and development tools to our sales associates to enhance our customer experience;
- improving upon our methodology of planning and allocating appropriate assortments to each store, considering the demographics and lifestyle tendencies of each store location;
- continuing to grow our direct businesses, including LivingXL, ShoesXL and B&T Factory Direct; and
- launching our primary brands, Casual Male XL and Rochester, on web sites in the European Union in the third quarter of fiscal 2008.

#### Presentation of Non-GAAP Measure

The presentation of non-GAAP free cash flow is not a measure determined by generally accepted accounting principles (“GAAP”) and should not be considered superior to or as a substitute for net income or cash flows from operating activities or any other measure of performance derived in accordance with GAAP. We calculate free cash flows as cash flow from operating activities (\$9.2 million in 2008 and negative \$4.1 million in 2007) less capital expenditures (\$6.8 million in 2008 and \$10.5 million in 2007). We believe that inclusion of this non-GAAP measure helps investors to gain a better understanding of our performance, especially when comparing such results to previous periods.

#### *Sales*

For the second quarter of fiscal 2008, total sales of \$113.5 million were flat when compared to the second quarter of fiscal year 2007. Comparable sales for the second quarter increased 0.3% when compared to the same period of the prior year. This increase was driven by a 15.3% increase in sales from our direct businesses and was offset by a 2.2% decrease in sales from our retail business. Our core business, which includes just our Casual Male and Rochester businesses, had a comparable sales decrease of 2.1% for the second quarter of fiscal 2008.

For the first six months of fiscal 2008, sales decreased 1.4% to \$221.1 million as compared to \$224.2 million for the first six months of fiscal 2007. The sales shortfall of \$3.1 million was primarily driven by a decrease in our comparable sales of 0.8%, which includes a comparable sales decrease of 3.4% from our core businesses. Our direct businesses increased 12.2% for the first six months of fiscal 2008; however, this increase was offset by a decrease of 3.1% in sales from our retail businesses.

Our non-core businesses, which include LivingXL, ShoesXL and B&T Factory Direct, generated sales of \$4.5 million and \$8.1 million for the second quarter and first six months of fiscal 2008, respectively, as compared to sales of \$1.4 million and \$1.9 million for the second quarter and first six months of fiscal 2007, respectively.

Even though traffic continues to be down, our sales productivity in our retail channel, as measured by customer conversion rate and dollars per transaction, has increased by approximately 5.2%, offsetting the negative customer traffic trends. This increase is a direct result of our focus on customer service, with improved sales training, development tools and sales productivity measurement and reporting application available to all of our stores.

During the second quarter of fiscal 2008, we launched our new mass media campaign aimed towards attracting a new customer to our stores and direct businesses, specifically focusing our advertising on our "XL" size customers who may not presently shop Casual Male XL. Based on the positive results we saw during the second quarter, we plan to continue this advertising campaign through the end of fiscal 2008.

Given the continued uncertainty in the retail market, for fiscal 2008 we anticipate that our sales will approximate \$470 to \$475 million, based on comparable sales from our core businesses of between flat to -2.0% for the full fiscal year.

#### *Gross Profit Margin*

For the second quarter of fiscal 2008, our gross margin rate, inclusive of occupancy costs, was 45.2% as compared to a gross margin rate of 46.5% for the second quarter of fiscal 2007. The decrease in gross margin rate was the result of an 80 basis point decrease in merchandise margins and a 50 basis point increase in occupancy costs as a percentage of sales. Our increased occupancy costs increased 4% over the prior year quarter due to new store openings and scheduled rent escalations. The decrease in merchandise margins was negatively effected by: (i) an increase in costs associated with our loyalty program due to increased participation, (ii) increased postage costs from our direct businesses due to increased fuel costs, and (iii) a slight deterioration in our initial margins due to a shift in sales mix from our higher margin core businesses to our lower margin non-core businesses.

For the first six months of fiscal 2008, our gross margin rate was 45.1% as compared to 46.2% for the first six months of fiscal 2007. The decrease in margin rate was the result of a 40 basis point decrease in merchandise margin and a 70 basis point increase in occupancy costs. As with the second quarter of fiscal 2008, merchandise margins were negatively impacted by increased costs associated with our loyalty program and postage costs.

We anticipate that our gross margins for fiscal 2008 will increase by approximately 25 to 50 basis points over fiscal 2007 gross margin levels exclusive of the \$6.1 million of inventory adjustments recorded in the fourth quarter of fiscal 2007. We expect that our merchandise margins in the second half of fiscal 2008 will approximate a 100-150 basis point improvement over the prior year levels.

#### *Selling, General and Administrative Expenses*

SG&A expenses for the second quarter of fiscal 2008 were 38.3% of sales as compared to 37.8% for the second quarter of fiscal 2007. On a dollar basis, SG&A expenses increased 1.4% for the second quarter of fiscal 2008 as compared to the prior year, with a decrease of 2.0% from our core businesses. SG&A costs for our non-core businesses increased \$1.3 million for the second quarter of fiscal 2008 as compared to the prior year's second quarter.

For the first six months of fiscal 2008, SG&A expenses were 39.3% of sales as compared to 38.5% of sales for the first six months of fiscal 2007. For the first six months of fiscal 2008, SG&A costs for our non-core businesses increased \$3.0 million over the same period of the prior year while expenses for our core businesses decreased 3.0%.

Although strong expense control continues to be a priority for us in fiscal 2008, it is also important that we invest our SG&A dollars into our key marketing and merchandising initiatives as discussed above. For fiscal 2008, we expect our SG&A levels to approximate \$181.0 million to \$182.0 million as compared to \$178.1 million in fiscal 2007. This estimate has been revised slightly in anticipation of the conversion of the 8 acquired Dahle store locations to Casual Male XL stores in the fourth quarter of fiscal 2008. See "Liquidity and Capital Resources" below for a full discussion of the Dahle's Big and Tall store acquisition.

#### *Interest Expense, Net*

Net interest expense was \$0.7 million for the second quarter of fiscal 2008 as compared to \$1.1 million for the second quarter of fiscal 2007. For the first six months of fiscal 2008, net interest expense was \$1.6 million as compared to \$1.9 million for the prior year. Although average borrowings for the first six months of fiscal 2008 are slightly higher than the prior year, our average interest rate costs are lower due to reduced interest rates. The average interest rate of all of our borrowings at the end of the second quarter of fiscal 2008 approximated 4.3% compared to approximately 7.2% at the end of the second quarter of fiscal 2007. See our "Liquidity and Capital Resources" discussion below.

#### *Income Taxes*

As a result of the net operating loss carryforwards available to us, we expect that cash payments for taxes will continue to be minimal at this time. At August 2, 2008, our total gross deferred tax assets were approximately \$28.5 million, with a corresponding valuation allowance of \$1.2 million. These tax assets principally relate to federal net operating loss carryforwards that expire through 2024. The valuation allowance of \$1.2 million is for losses associated with our Canadian operations and certain state net operating losses, the benefit of which may not be recognized due to short carryforward periods.

#### *Net Income*

For the second quarter of fiscal 2008, we had net income of \$1.9 million, or \$0.05 per diluted share, as compared to net income of \$2.5 million, or \$0.06 per diluted share, for the second quarter of fiscal 2007. For the six months ended August 2, 2008, we had net income of \$2.0 million, or \$0.05 per diluted share, as compared to net income of \$3.6 million, or \$0.08 per diluted share, for the six months ended August 4, 2007. The results for the second quarter and first six months of fiscal 2007, included a loss from discontinued operations of \$0.4 million, or \$(0.01) per diluted share, and \$0.9 million, or \$(0.02) per diluted share, respectively, related to our Jared M. business, which we exited in the fourth quarter of fiscal 2007. See Note 5 to the Consolidated Financial Statements for more information.

#### *Inventory*

At August 2, 2008, total inventory was \$112.7 million compared to \$117.8 million at February 2, 2008 and \$119.7 million at August 4, 2007.

Inventory at the end of the second quarter of fiscal 2008 decreased 4.3% as compared to February 2, 2008 and decreased 5.8% compared to August 4, 2007. The decrease is the result of reductions of inventory in our Casual Male division as part of managing our inventory levels and in our Rochester retail stores as part of our shift in merchandising strategy from moderate to high-fashion merchandise. This decrease was partially offset by increases in inventory levels among our growing direct businesses. We expect to reduce inventory levels by \$10 -\$15 million by the end of fiscal 2008.

#### **SEASONALITY**

Historically and consistent with the retail industry, we have experienced seasonal fluctuations in revenues and income, with increases traditionally occurring during our third and fourth quarters as a result of the "Fall" and "Holiday" seasons.

## LIQUIDITY AND CAPITAL RESOURCES

Our primary cash needs are for working capital (essentially inventory requirements) and capital expenditures. Specifically, our capital expenditure program includes projects for new store openings, relocations and remodeling, downsizing or combining existing stores, and improvements and integration of our systems infrastructure. We expect that cash flow from operations, external borrowings and trade credit will enable us to finance our current working capital and expansion requirements. We have financed our working capital requirements, store expansion program, stock repurchase programs and acquisitions with cash flow from operations, external borrowings, and proceeds from equity and debt offerings. Our objective is to maintain a positive cash flow after capital expenditures such that we can support our growth activities with operational cash flows without incurring additional debt.

For the first six months of fiscal 2008, cash provided by operating activities was \$9.2 million as compared to cash used for operating activities of \$4.1 million for the corresponding period of the prior year. The improvement in cash flow from operating activities was primarily due to the reduction in inventory and other working capital accounts.

In addition to cash flow from operations, our other primary source of working capital is our credit facility with Bank of America, N.A. (the "Credit Facility") for a total commitment of \$110 million. The maturity date of the Credit Facility is October 29, 2011. Borrowings under the Credit Facility bear interest at variable rates based on Bank of America's prime rate or the London Interbank Offering Rate ("LIBOR") and vary depending on our levels of excess availability. Our Credit Facility is described in more detail in Note 2 to the Notes to the Consolidated Financial Statements.

We had outstanding borrowings under the Credit Facility at August 2, 2008 of \$44.9 million. Outstanding standby letters of credit were \$2.2 million and outstanding documentary letters of credit were \$3.0 million. Average monthly borrowings outstanding under this facility during the first six months of fiscal 2008 were approximately \$50.2 million, resulting in an average unused excess availability of approximately \$44.8 million. Unused excess availability at August 2, 2008 was \$43.6 million. Our obligations under the Credit Facility are secured by a lien on all of our assets.

### Master Loan and Security Agreement

On July 20, 2007, we entered into a Master Loan and Security Agreement (the "Master Agreement") with Banc of America Leasing & Capital, LLC ("BALC") for equipment financing. In conjunction with the Master Agreement, we entered into an Equipment Security Note (the "First Secured Note"), whereby we borrowed an aggregate of \$17.4 million from BALC. The First Secured Note is due July 20, 2011.

On January 16, 2008, we entered into a second Equipment Security Note (the "Second Secured Note"), pursuant to the same terms and provisions of the Master Agreement, whereby we borrowed an additional \$2.1 million. The Second Secured Note is due January 16, 2012.

Both secured notes accrue interest at a per annum rate of 1.75% plus the rate of interest equal to the 30-day published LIBOR rate. Principal and interest, in arrears, are payable monthly on each note, commencing one month after issuance of such note. We are subject to a prepayment penalty on both secured notes equal to 1% of the prepaid principal until the first anniversary of the respective secured note, 0.5% of the prepaid principal from the first day after the first anniversary through the end of the second anniversary and no prepayment penalty thereafter. At August 2, 2008, the outstanding balance of the secured notes was \$14.9 million.

Both notes are secured by a security interest in all of our rights, title and interest in and to certain equipment.

### Dahle Acquisition

During the second quarter of fiscal 2008, we acquired certain assets of Dahle Management Corporation ("Dahle"), an operator of 15 big and tall men's apparel stores located in nine states. Under the asset purchase agreement, the operations of 8 Dahle's Big and Tall men's stores were acquired and will be converted to Casual Male XL retail locations prior to the 2008 Holiday selling season. The 7 remaining locations, all of which compete directly with our Casual Male XL business, will be closed by Dahle prior to January 2009. In addition to the store locations, we also acquired Dahle's customer list from their internet and catalog business, as well as their retail business.

## Stock Repurchase Program

During fiscal 2006, our Board of Directors adopted a \$75 million stock repurchase program, which was scheduled to terminate on December 31, 2007. On January 9, 2008, our Board of Directors extended this repurchase program authorizing us to continue to repurchase the approximately \$24.1 million remaining under the program. The repurchases may be made through open market and privately negotiated transactions pursuant to Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The stock repurchase program will expire on December 31, 2008, but may be terminated earlier at any time without prior notice.

No repurchases were made during the first six months of fiscal 2008. As of August 2, 2008, we have repurchased approximately 4.3 million shares for an aggregate price of \$50.9 million pursuant to this program.

## Capital Expenditures

The following table sets forth the stores opened and related square footage at August 2, 2008 and August 4, 2007, respectively:

Store Concept (square footage in thousands)	At August 2, 2008		At August 4, 2007	
	Number of Stores	Square Footage	Number of Stores	Square Footage
Casual Male XL	463	1,605	473	1,628
Rochester Big & Tall	27	220	25	201
Sears Canada	—	—	5	3
Total Stores	490	1,825	503	1,832

Total cash outlays for capital expenditures for the first six months of fiscal 2008 were \$6.8 million as compared to \$10.5 million for the first six months of fiscal 2007. Below is a summary of store openings and closings since February 2, 2008:

	Casual Male	Rochester Big & Tall	Total stores
At February 2, 2008	462	26	488
New outlet stores	1	1	2
New retail stores	4	—	4
Closed stores	(4)	—	(4)
At August 2, 2008	463	27	490
Relocations	5	—	5

We expect our total capital expenditures for fiscal 2008 will be approximately \$11.5 million, of which \$5.9 million relates to capital for new stores, relocations and remodels. The budget also includes approximately \$3.4 million for system enhancements, including our inventory integration project. Included in store expansion are funds to relocate approximately 10 of our existing Casual Male XL retail stores at an estimated cost of \$150,000 for each location.

For the remainder of fiscal 2008, we intend to open ten new Casual Male XL retail stores, which include the 8 stores being converted from Dahle to Casual Male XL. We also expect to close 5 existing Casual Male XL retail and outlet stores as their respective leases expire and relocating 7 other store locations.

## CRITICAL ACCOUNTING POLICIES

There have been no material changes to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended February 2, 2008 filed with the SEC on March 26, 2008.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

In the normal course of business, our financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings and foreign currency fluctuations. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of these and other potential exposures.

#### Interest Rates

We utilize cash from operations and from our Credit Facility to fund our working capital needs. Our Credit Facility is not used for trading or speculative purposes. In addition, we have available letters of credit as sources of financing for our working capital requirements. Borrowings under the Credit Facility, which expires October 29, 2011, bear interest at variable rates based on Bank of America's prime rate or the LIBOR. At August 2, 2008, the interest rate on our prime based borrowings was 5.00%. Approximately \$37.0 million of our outstanding borrowings were in LIBOR contracts with interest rates ranging between 3.68% and 5.21%. Based upon a sensitivity analysis as of August 2, 2008, assuming average outstanding borrowing during the first six months of fiscal 2008 of \$50.2 million, a 50 basis point increase in interest rates would have resulted in a potential increase in interest expense of approximately \$251,000.

#### Foreign Currency

Our Sears Canada catalog operations conduct business in Canadian dollars and our Rochester Clothing store located in London, England conducts business in British pounds. If the value of the Canadian dollar or the British pound against the U.S. dollar weakens, the revenues and earnings of these operations will be reduced when they are translated to U.S. dollars. Also, the value of these assets to U.S. dollars may decline. As of August 2, 2008, sales from our Sears Canada operations and our London Rochester Clothing store were immaterial to consolidated sales. As such, we believe that movement in foreign currency exchange rates will not have a material adverse affect on our financial position or results of operations.

### **Item 4. Controls and Procedures.**

#### Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of August 2, 2008. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of August 2, 2008, our disclosure controls and procedures were effective, in that they provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

#### Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended August 2, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. We believe that the resolution of these matters will not have an adverse impact on our operations or financial position.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A ("Risk Factors") of our Annual Report on Form 10-K for the year ended February 2, 2008 filed with the SEC on March 26, 2008.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Submission of Matters to a Vote of Security Holders.

We held our 2008 Annual Meeting of Stockholders on July 31, 2008. The matters submitted to a vote of our stockholders were (i) the election of eight directors and (ii) the approval of an amendment to our 2006 Incentive Compensation Plan increasing the total number of shares of common stock authorized for issuance under the plan by 1,500,000 shares, from 2,500,000 to 4,000,000 shares.

- (i) Our stockholders elected eight directors to hold office until the 2009 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. The results of the voting were as follows:

<u>Directors</u>	<u>Votes FOR</u>	<u>Votes AGAINST</u>
Seymour Holtzman	34,901,142	799,491
David A. Levin	34,901,024	799,609
Alan S. Bernikow	35,214,974	485,659
Jesse Choper	35,153,106	547,527
Ward K. Mooney	35,462,546	238,087
George T. Porter, Jr.	35,214,774	485,859
Mitchell S. Presser	35,462,746	237,887
Robert L. Sockolov	34,990,474	710,159

- (ii) Our stockholders did not approve the proposed amendment to our 2006 Incentive Compensation Plan which would have increased the shares available under the plan from 2,500,000 to 4,000,000. The results of the voting were as follows:

<u>Votes FOR</u>	<u>Votes AGAINST</u>	<u>Votes ABSTAINED</u>	<u>Broker Non-Votes</u>
8,975,999	23,128,265	106,208	3,490,161

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**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

- 10.1 Employment Agreement between the Company and Mark Bean dated May 1, 2007.
- 10.2 Employment Agreement between the Company and Ronald Threadgill dated February 11, 2008.
- 10.3 Employment Agreement between the Company and Vickie Smith dated February 19, 2008.
- 10.4 Employment Agreement between the Company and Peter E. Schmitz dated March 28, 2008.
- 10.5 Employment Agreement between the Company and Francis Chane dated June 9, 2008.
- 10.6 Description of Non-Employee Director Compensation Arrangement as of July 31, 2008.
- 10.7 Casual Male Retail Group, Inc. Amended and Restated Annual Incentive Plan (included as Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 4, 2008, and incorporated herein by reference).
- 31.1 Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 31.2 Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CASUAL MALE RETAIL GROUP, INC.

Date: August 22, 2008

By: /S/ SHERI A. KNIGHT

Sheri A. Knight

Senior Vice President of Finance and Corporate Controller

**EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made as of May 1, 2007 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company"), and Mark Bean (the "Executive") having an address at 1 Bridle Path, Plainville, MA 02762.

**WITNESSETH:**

WHEREAS, the Company desires that Executive serve as Senior Vice President, Store Sales and Operations and Executive desires to be so employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT**

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive shall hold the office of Senior Vice President, Store Sales and Operations .

2. **TERM**

The term of employment under this Agreement shall begin on May 1 2007 (the "Employment Date") and shall continue for a period of two (2) years from that date (the "Term"), subject to prior termination in accordance with the terms hereof.

3. **COMPENSATION**

(a) As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of two hundred seventy-five thousand dollars and no cents (\$275,000.00).

(b) Executive is eligible to participate in the Company's annual performance appraisal and compensation review process in accordance with Company practice.

(c) In addition to the annual base salary, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program at a rate of 35% at target (52.5% max) (FY 2007) of Executive's actual annual base earnings. The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with the terms of the incentive program then in effect.

(c) In addition, Executive is eligible to participate in the Company's Long Term Incentive Plan (LTIP). Such incentive shall be determined and distributable in accordance with the terms and conditions as described in the Long Term Incentive Plan (LTIP) documents in effect at the time of the award, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's Long Term Incentive Plan at an incentive rate of 70%, at target, of Executive's combined actual annual base salary, for the incentive period, as defined in the Long Term Incentive Plan documents in effect at the time of the award. However, given the three year term of the Long Term Incentive Plan and the eighteen (18) month vesting period for distribution, Executive would have to be employed with the Company beyond the term of this Agreement to receive benefits under the Plan.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive in connection with his employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401 (k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with the terms of such plans), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with his position as Senior Vice President, Store Sales and Operations and/or as the Chief Executive Officer of the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to the direction of, the above named officer of the company.

(b) During the Term of this Agreement, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill his duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and

subject to the foregoing, Executive shall not be prevented from accepting positions in outside charitable organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate Section 10 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Chief Executive Officer. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) Executive's employment hereunder may be terminated by the Company at any time:

(i) upon the determination that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination that there is justifiable cause (as hereinafter defined) for such termination.

(b) Executive's employment shall terminate upon:

(i) the death of Executive;

(ii) the "total disability" of Executive (as hereinafter defined in Subsection (c) herein) pursuant to Subsection (h) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "total disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's performance of any act or his failure to act, as to which if Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal

profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, this Agreement shall terminate immediately and Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual base salary and reimbursement of expenses pursuant to Section 5 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in Subsection 7 (a)(i) the Company shall pay Executive the base salary for the remainder of the Term not to exceed an amount equal to one half of Executive's annual base salary, payable in equal payments in accordance with the Company's customary payroll practices. However, if Executive is employed or retained, as an employee, independent contractor, consultant or in any other capacity or if he is offered another position by the Company at a comparable salary ("New Employment") prior to or during the time he receives payment under this Subsection or Subsection 3 (b), the Company is entitled to a credit for all sums paid or earned by Executive during this period of time or which he could have earned had he accepted the comparable position by the Company. The Executive must make a good faith effort to find New Employment and mitigate the amount of money to be paid by the Company to Executive under this Subsection or Subsection 3(b). Executive also agrees to immediately notify the Senior Vice President of Human Resources of the Company at 555 Turnpike Street, Canton, Massachusetts, 02021, if and when he is offered another position and/or accepts another position. The Company will pay any amount due and owing in accordance with the payment schedule in 3(a), until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to Section 5 as have been accrued through the date of his death.

(g) Upon Executive's "total disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this Subsection (f) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 6 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled only to receive such portion of his annual base salary and reimbursement of expenses pursuant to Section 5 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Executive's employment with the Company is terminated by the Company during the Term as a result of a Change of Control of the Company occurring during the Term then, in such event, the Company shall pay Executive the greater of: (i) the base salary for the remainder of the Term or (ii) an amount equal to twelve (12) months of base annual salary in effect at the time of the termination, which amount will be subject to mitigation in accordance with Section 7(e) above. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Designs, Inc. 1992 Stock Incentive Plan (without regard to any subsequent amendments thereto). Any payment pursuant to this paragraph 7(i) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement or under any other severance plan of the Company

8. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgment, decree, or final order (i) enjoining him from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under Section 7(d) of this Agreement.

9. NON-COMPETITION

(a) Executive agrees that during his employment by the Company and during the two (2) year period following the termination of Executive's employment hereunder (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint



venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in the United States of America and Puerto Rico where, at the time of the termination of his employment hereunder, the business of the Company or any of such subsidiaries and affiliates was being conducted or was proposed to be conducted in any manner whatsoever; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries and affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries and affiliates or otherwise compromise the Company's good will or solicit, hire, interfere with or entice from the Company any employee (or former employee) of the Company.

(b) If any portion of the restrictions set forth in this Section 9 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this Section 9, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) shall include, a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the United States and Puerto Rico, that Executive's duties and responsibilities on behalf of the Company are nationwide (including Puerto Rico) in scope, that its sales and marketing prospects are for continued expansion throughout the United States and therefore, the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any non-material claim or cause of action (a "non-material" claim or cause of action is defined as a claim or cause of action which results from something other than a material breach of the terms and provisions of this Agreement by the Company) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

#### 10. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the

same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and Methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of \$250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to him or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the term of this Agreement or at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors of the Company), to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries and affiliates, the directors of the Company or its subsidiaries and affiliates, any supplier or customer of the Company or any of their subsidiaries and affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this Section 12(a) by Executive.

(b) All information and documents relating to the Company and its affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

12. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein

shall constitute a waiver by Executive of his right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. The Company shall be entitled to recover from Executive all attorneys' fees and expenses reasonably incurred in establishing a breach of this agreement. The damages, attorneys' fees and costs shall be in addition to and not in lieu of any preliminary injunctive relief that may be available to the Company.

13. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

15. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

17. WAIVER OR BREACH

It is agreed that a waiver by either party or a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written including the Letter Agreement dated June 13, 2005., This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide

copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 9 through 12 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

19. SURVIVAL.

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 5, 8, 9, 10, 11 and 12 hereof.

20. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this Section 20.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts and each party consents to the personal jurisdiction of any such state or federal court.

21. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

22. HEADINGS

The Section headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, as of the date and year first above written.

CASUAL MALE RETAIL GROUP, INC.

By: \_\_\_\_\_  
Name: David A. Levin  
Its: President, Chief Executive Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Dennis R. Hernreich  
Its: Executive VP, COO, CFO

Date: \_\_\_\_\_

By: /s/ Mark Bean  
Name: Mark Bean

Date: 11/9/07

**EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made as of February 11, 2008 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company" which term includes any affiliates and subsidiaries), and Ronald Threadgill (the "Executive") having an address at 12505 Maverick Court, Tampa, FL 33626.

**WITNESSETH:**

WHEREAS, the Company desires that Executive serve as Vice President, Global Sourcing, and Executive desires to be so employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT**

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive shall hold the office of Vice President, Global Sourcing.

2. **TERM**

The term of employment under this Agreement shall begin on the date set forth above (the "Effective Date") and shall continue until terminated by either party as hereinafter set forth (such period of employment being referred to herein as the "Term"), subject to prior termination in accordance with the terms hereof.

3. **COMPENSATION**

(a) As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of One Hundred Ninety-Five Thousand Dollars and 00/100 Cents (\$195,000.00).

(b) In addition to the annual base salary, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program at a rate of 35% (52.5% max) of Executive's actual annual base earnings based upon the Executive's individual performance component and/or the Company's targeted EBITDA. The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with the terms of the incentive program then in effect.

(c) In addition, Executive is eligible to participate in the Company's Long Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's LTIP at an incentive rate of 70%, of Executive's combined actual annual base salary, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive in connection with his employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with the terms of such plans), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) The Company will, during the term of Executive's employment hereunder, provide Executive with an automobile allowance in the total amount of Seven Thousand Two Hundred Dollars and 00/100 Cents (\$7,200.00) annually, in equal bi-weekly payments in accordance with the Company's normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costs associated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(c) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with his position as Vice President, Global Sourcing and/or as the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to the direction of the Company.



(b) During the Term of this Agreement, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill his duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and subject to the foregoing, Executive shall not be prevented from accepting positions in outside charitable organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate Section 9 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Company. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) Executive's employment hereunder may be terminated by the Company at any time:

(i) upon the determination that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination that there is justifiable cause (as hereinafter defined) for such termination.

(b) Executive's employment shall terminate upon:

(i) the death of Executive;

(ii) the "total disability" of Executive (as hereinafter defined in Subsection (c) herein) pursuant to Subsection (h) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "total disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's repeated failure to perform his duties in a satisfactory manner; Executive's performance of any act or his failure to act, as to which if

Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, this Agreement shall terminate immediately and Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual base salary and reimbursement of expenses pursuant to Section 5 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in Subsection 7 (a)(i) the Company shall pay Executive his then current base salary for five months after the effectiveness of such termination, payable in equal payments in accordance with the Company's customary payroll practices. However, if Executive is employed or retained, as an employee, independent contractor, consultant or in any other capacity or if he is offered another position by the Company at a comparable salary ("New Employment") prior to or during the time he receives payment under this Subsection or Subsection 3 (b), the Company is entitled to a credit for all sums paid or earned by Executive during this period of time or which he could have earned had he accepted the comparable position by the Company. The Executive must make a good faith effort to find New Employment and mitigate the amount of money to be paid by the Company to Executive under this Subsection or Subsection 3(b). Executive also agrees to immediately notify the Company if and when he is offered another position and/or accepts another position. The Company will pay any amount due and owing in accordance with the payment schedule in 3(a), until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his death.

(g) Upon Executive's "total disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this Subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled only to receive such portion of his annual base salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Executive's employment with the Company is terminated by the Company during the Term without justifiable cause within twelve months following a Change of Control of the Company occurring during the Term then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of base annual salary in effect at the time of the termination, which amount will be subject to mitigation in accordance with Section 7(e) above. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Stock Option Plan (without regard to any subsequent amendments thereto). Any payment pursuant to this paragraph 7(i) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement or under any other severance plan of the Company

8. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgement, decree, or final order (i) enjoining him from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under Section 7(d) of this Agreement.

9. NON-COMPETITION

(a) Executive agrees that during his employment by the Company and during the two (2) year period following the termination of Executive's employment hereunder (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Company or any of its subsidiaries or affiliates are then conducting or proposing to conduct business, including, without limitation, the United States of America and its possessions, Canada and Europe; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries and affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries and affiliates or otherwise compromise the Company's good will or solicit, hire, interfere with or entice from the Company any employee (or former employee) of the Company.

(b) If any portion of the restrictions set forth in this Section 9 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this Section 9, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any non-material claim or cause of action (a "non-material" claim or cause of action is defined as a claim or cause of action which results from something other than a material breach of the terms and provisions of this Agreement by the Company) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

10. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and Methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of \$250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to him or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the term of this Agreement or at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors of the Company, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries and affiliates, the directors of the Company or its subsidiaries and affiliates, any supplier or customer of the Company or any of their subsidiaries and affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but

shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this Section 11(a) by Executive.

(b) All information and documents relating to the Company and its affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

12. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. The Company shall be entitled to recover from Executive all attorneys' fees and expenses reasonably incurred in establishing a breach of this agreement. The damages, attorneys' fees and costs shall be in addition to and not in lieu of any preliminary injunctive relief that may be available to the Company.

13. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

15. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

17. WAIVER OR BREACH

It is agreed that a waiver by either party or a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 9 through 12 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

19. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 7, 8, 9, 10, 11 and 12 hereof.

20. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this Section 20.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts and each party consents to the personal jurisdiction of any such state or federal court.

21. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

22. HEADINGS

The Section headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, as of the date and year first above written.

CASUAL MALE RETAIL GROUP, INC.

By: /s/ David A. Levin  
Name: David A. Levin  
Its: President, Chief Executive Officer

Date: 5-1-08

By: /s/ Dennis R. Hernreich  
Name: Dennis R. Hernreich  
Its: Executive VP, COO, CFO

Date: 5-1-08

/s/ Ronald Threadgill  
Ronald Threadgill

Date: 4-30-08



**EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made as of February 19, 2008 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company" which term includes any affiliates and subsidiaries), and Vickie Smith (the "Executive") having an address at 14755 Snowhill Drive, Frisco, TX 75035.

**WITNESSETH:**

WHEREAS, the Company desires that Executive serve as Senior Vice President, Planning & Allocation, and Executive desires to be so employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT**

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive shall hold the office of Senior Vice President, Planning & Allocation.

2. **TERM**

The term of employment under this Agreement shall begin on the date set forth above (the "Effective Date") and shall continue until terminated by either party as hereinafter set forth (such period of employment being referred to herein as the "Term"), subject to prior termination in accordance with the terms hereof.

3. **COMPENSATION**

(a) As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of Two Hundred Sixty Thousand Dollars and 00/100 Cents (\$260,000.00).

(b) In addition to the annual base salary, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program at a rate of 35% (52.5% max) of Executive's actual annual base earnings based upon the Executive's individual performance component and/or the Company's targeted EBITDA. The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with the terms of the incentive program then in effect.

(c) In addition, Executive is eligible to participate in the Company's Long Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's LTIP at an incentive rate of 70%, of Executive's combined actual annual base salary, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive in connection with her employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with the terms of such plans), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) The Company will, during the term of Executive's employment hereunder, provide Executive with an automobile allowance in the total amount of Eight Thousand Four Hundred Dollars and 00/100 Cents (\$8,400.00) annually, in equal bi-weekly payments in accordance with the Company's normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costs associated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(c) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with her position as Senior Vice President, Planning & Allocation and/or as the Company shall from time to time determine and Executive shall comply in the performance of her duties with the policies of, and be subject to the direction of the Company.

(b) During the Term of this Agreement, Executive shall devote substantially all of her time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill her duties. Executive shall perform the duties assigned to her with fidelity and to the best of her ability. Notwithstanding anything herein to the contrary, and subject to the foregoing, Executive shall not be prevented from accepting positions in outside charitable organizations so long as such activities do not interfere with Executive's performance of her duties hereunder and do not violate Section 9 hereof.

(c) The principal location at which the Executive shall perform her duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Company. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of her duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) Executive's employment hereunder may be terminated by the Company at any time:

(i) upon the determination that Executive's performance of her duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination that there is justifiable cause (as hereinafter defined) for such termination.

(b) Executive's employment shall terminate upon:

(i) the death of Executive;

(ii) the "total disability" of Executive (as hereinafter defined in Subsection (c) herein) pursuant to Subsection (h) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "total disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's repeated failure to perform her duties in a satisfactory manner; Executive's performance of any act or her failure to act, as to which if

Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of her duties hereunder. Upon termination of Executive's employment for justifiable cause, this Agreement shall terminate immediately and Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual base salary and reimbursement of expenses pursuant to Section 5 hereof as have been accrued through the date of her termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in Subsection 7 (a) (i) the Company shall pay Executive her then current base salary for five months after the effectiveness of such termination, payable in equal payments in accordance with the Company's customary payroll practices. However, if Executive is employed or retained, as an employee, independent contractor, consultant or in any other capacity or if she is offered another position by the Company at a comparable salary ("New Employment") prior to or during the time she receives payment under this Subsection or Subsection 3 (b), the Company is entitled to a credit for all sums paid or earned by Executive during this period of time or which she could have earned had she accepted the comparable position by the Company. The Executive must make a good faith effort to find New Employment and mitigate the amount of money to be paid by the Company to Executive under this Subsection or Subsection 3(b). Executive also agrees to immediately notify the Company if and when she is offered another position and/or accepts another position. The Company will pay any amount due and owing in accordance with the payment schedule in 3(a), until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of her employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of her death.

(g) Upon Executive's "total disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this Subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, she shall be entitled only to receive such portion of her annual base salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of her resignation.

(i) Change of Control. In the event the Executive's employment with the Company is terminated by the Company during the Term without justifiable cause within twelve months following a Change of Control of the Company occurring during the Term then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of base annual salary in effect at the time of the termination, which amount will be subject to mitigation in accordance with Section 7(e) above. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Stock Option Plan (without regard to any subsequent amendments thereto). Any payment pursuant to this paragraph 7(i) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement or under any other severance plan of the Company

8. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that she is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of her duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that she has never been convicted of a felony and she has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that she has never been a party to any judicial or administrative proceeding that resulted in a judgement, decree, or final order (i) enjoining her from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that she has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under Section 7(d) of this Agreement.

9. NON-COMPETITION

(a) Executive agrees that during her employment by the Company and during the two (2) year period following the termination of Executive's employment hereunder (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Company or any of its subsidiaries or affiliates are then conducting or proposing to conduct business, including, without limitation, the United States of America and its possessions, Canada and Europe; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries and affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries and affiliates or otherwise compromise the Company's good will or solicit, hire, interfere with or entice from the Company any employee (or former employee) of the Company.

(b) If any portion of the restrictions set forth in this Section 9 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this Section 9, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any non-material claim or cause of action (a "non-material" claim or cause of action is defined as a claim or cause of action which results from something other than a material breach of the terms and provisions of this Agreement by the Company) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

10. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and Methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of her employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to her as a consequence of her employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all her rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of \$250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to her or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the term of this Agreement or at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of her duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors of the Company, to any person, firm, corporation, or other entity, any confidential information acquired by her during the course of, or as an incident to, her employment or the rendering of her advisory or consulting services hereunder, relating to the Company or any of its subsidiaries and affiliates, the directors of the Company or its subsidiaries and affiliates, any supplier or customer of the Company or any of their subsidiaries and affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but

shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this Section 11(a) by Executive.

(b) All information and documents relating to the Company and its affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

12. SPECIFIC PERFORMANCE

Executive agrees that if she breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of her right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. The Company shall be entitled to recover from Executive all attorneys' fees and expenses reasonably incurred in establishing a breach of this agreement. The damages, attorneys' fees and costs shall be in addition to and not in lieu of any preliminary injunctive relief that may be available to the Company.

13. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.



15. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

17. WAIVER OR BREACH

It is agreed that a waiver by either party or a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in her duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 9 through 12 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

19. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 7, 8, 9, 10, 11 and 12 hereof.

20. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this Section 20.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts and each party consents to the personal jurisdiction of any such state or federal court.

21. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

22. HEADINGS

The Section headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, as of the date and year first above written.

CASUAL MALE RETAIL GROUP, INC.

By: /s/ David A. Levin  
Name: David A. Levin  
Its: President, Chief Executive Officer

Date: 4-24-08

By: /s/ Dennis R. Hernreich  
Name: Dennis R. Hernreich  
Its: Executive VP, COO, CFO

Date: 4-24-08

/s/ Vickie Smith  
Vickie Smith

Date: 4-23-08

**EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made as of March 28, 2008 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company" which term includes any affiliates and subsidiaries), and Peter E. Schmitz (the "Executive") having an address at 170 Congdon Street, Providence, Rhode Island 02906.

**WITNESSETH:**

WHEREAS, the Company desires that Executive serve as Senior Vice President of Real Estate & Store Development, and Executive desires to be so employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT**

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive shall hold the office of Senior Vice President of Real Estate & Store Development.

2. **TERM**

The term of employment under this Agreement shall begin on the date set forth above (the "Effective Date") and shall continue until terminated by either party as hereinafter set forth (such period of employment being referred to herein as the "Term"), subject to prior termination in accordance with the terms hereof.

3. **COMPENSATION**

(a) As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of Two Hundred Seventeen Thousand Five Hundred Dollars and 00/100 Cents (\$217,500.00).

(b) In addition to the annual base salary, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program at a rate of 35% (52.5% max) of Executive's actual annual base earnings based upon the Executive's individual performance component and/or the Company's targeted EBITDA. The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with the terms of the incentive program then in effect.

(c) In addition, Executive is eligible to participate in the Company's Long Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's LTIP at an incentive rate of 70%, of Executive's combined actual annual base salary, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive in connection with his employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with the terms of such plans), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) The Company will, during the term of Executive's employment hereunder, provide Executive with an automobile allowance in the total amount of Eight Thousand Four Hundred Dollars and 00/100 Cents (\$8,400.00) annually, in equal bi-weekly payments in accordance with the Company's normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costs associated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(c) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with his position as Senior Vice President of Real Estate & Store Development and/or as the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to the direction of the Company.

(b) During the Term of this Agreement, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill his duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and subject to the foregoing, Executive shall not be prevented from accepting positions in outside charitable organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate Section 9 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Company. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) Executive's employment hereunder may be terminated by the Company at any time:

(i) upon the determination that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination that there is justifiable cause (as hereinafter defined) for such termination.

(b) Executive's employment shall terminate upon:

(i) the death of Executive;

(ii) the "total disability" of Executive (as hereinafter defined in Subsection (c) herein) pursuant to Subsection (h) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "total disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's repeated failure to perform his duties in a satisfactory manner; Executive's performance of any act or his failure to act, as to which if

Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, this Agreement shall terminate immediately and Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual base salary and reimbursement of expenses pursuant to Section 5 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in Subsection 7 (a)(i) the Company shall pay Executive his then current base salary for five months after the effectiveness of such termination, payable in equal payments in accordance with the Company's customary payroll practices. However, if Executive is employed or retained, as an employee, independent contractor, consultant or in any other capacity or if he is offered another position by the Company at a comparable salary ("New Employment") prior to or during the time he receives payment under this Subsection or Subsection 3 (b), the Company is entitled to a credit for all sums paid or earned by Executive during this period of time or which he could have earned had he accepted the comparable position by the Company. The Executive must make a good faith effort to find New Employment and mitigate the amount of money to be paid by the Company to Executive under this Subsection or Subsection 3(b). Executive also agrees to immediately notify the Company if and when he is offered another position and/or accepts another position. The Company will pay any amount due and owing in accordance with the payment schedule in 3(a), until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his death.

(g) Upon Executive's "total disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this Subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled only to receive such portion of his annual base salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Executive's employment with the Company is terminated by the Company during the Term without justifiable cause within twelve months following a Change of Control of the Company occurring during the Term then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of base annual salary in effect at the time of the termination, which amount will be subject to mitigation in accordance with Section 7(e) above. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Stock Option Plan (without regard to any subsequent amendments thereto). Any payment pursuant to this paragraph 7(i) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement or under any other severance plan of the Company

8. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgement, decree, or final order (i) enjoining him from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under Section 7(d) of this Agreement.

9. NON-COMPETITION

(a) Executive agrees that during his employment by the Company and during

the two (2) year period following the termination of Executive's employment hereunder (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Company or any of its subsidiaries or affiliates are then conducting or proposing to conduct business, including, without limitation, the United States of America and its possessions, Canada and Europe; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries and affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries and affiliates or otherwise compromise the Company's good will or solicit, hire, interfere with or entice from the Company any employee (or former employee) of the Company.

(b) If any portion of the restrictions set forth in this Section 9 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this Section 9, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any non-material claim or cause of action (a "non-material" claim or cause of action is defined as a claim or cause of action which results from something other than a material breach of the terms and provisions of this Agreement by the Company) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.



10. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and Methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of \$250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to him or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the term of this Agreement or at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors of the Company, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries and affiliates, the directors of the Company or its subsidiaries and affiliates, any supplier or customer of the Company or any of their subsidiaries and affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but

shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this Section 11(a) by Executive.

(b) All information and documents relating to the Company and its affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

12. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. The Company shall be entitled to recover from Executive all attorneys' fees and expenses reasonably incurred in establishing a breach of this agreement. The damages, attorneys' fees and costs shall be in addition to and not in lieu of any preliminary injunctive relief that may be available to the Company.

13. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

15. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

17. WAIVER OR BREACH

It is agreed that a waiver by either party or a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 9 through 12 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

19. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 7, 8, 9, 10, 11 and 12 hereof.

20. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this Section 20.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed

to institute action in any state or federal court located within the Commonwealth of Massachusetts and each party consents to the personal jurisdiction of any such state or federal court.

21. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

22. HEADINGS

The Section headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, as of the date and year first above written.

CASUAL MALE RETAIL GROUP, INC.

By: /s/ David A. Levin  
Name: David A. Levin  
Its: President, Chief Executive Officer

Date: 4-24-08

By: /s/ Dennis R. Hernreich  
Name: Dennis R. Hernreich  
Its: Executive VP, COO, CFO

Date: 4-24-08

/s/ Peter E. Schmitz  
Peter E. Schmitz

Date: 4-22-08

**EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made as of June, 9, 2008 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company", which term includes its subsidiaries and affiliates), and Francis Chane (the "Executive") having an address at 45 Saddleworthy Way, Middleboro, MA 02346.

**WITNESSETH:**

WHEREAS, the Company desires that Executive serve as Vice President Distribution and Logistics, and Executive desires to be so employed by the Company.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT**

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth. Executive shall hold the office of Vice President Distribution and Logistics.

2. **TERM**

The term of employment under this Agreement shall begin on the date set forth above (the "Effective Date") and shall continue until terminated by either party as hereinafter set forth (such period of employment being referred to herein as the "Term"), subject to prior termination in accordance with the terms hereof.

3. **COMPENSATION**

(a) As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of One Hundred Eighty Thousand Dollars and No Cents (\$180,000.00).

(b) In addition to the annual base salary, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's incentive program at a rate of 35% (50% max) of Executive's actual annual base earnings based upon the Executive's individual performance component and/or the Company's targeted EBITDA. The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with the terms of the incentive program then in effect.

(c) In addition, Executive is eligible to participate in the Company's Long Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year to year in the Company's sole discretion. Executive will participate in the Company's LTIP at an incentive rate of 70%, of Executive's combined actual annual base earnings, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive in connection with his employment hereunder. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with the terms of such plans), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b) The Company will, during the term of Executive's employment hereunder, provide Executive with an automobile allowance in the total amount of Seven Thousand Two Hundred Dollars and No Cents (\$7200.00) annually, in equal bi-weekly payments in accordance with the Company's normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costs associated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(c) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with his position as Vice President Distribution and Logistics and/or as the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to the direction of the Company.

(b) During the Term of this Agreement, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfill his duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and subject to the foregoing, Executive shall not be prevented from accepting positions in outside charitable organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate Section 9 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be at the Company's offices in Canton, Massachusetts or at such other location as may be temporarily designated from time to time by the Company. Notwithstanding the foregoing, Executive shall perform such services at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) Executive's employment hereunder may be terminated by the Company at any time:

(i) upon the determination that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination that there is justifiable cause (as hereinafter defined) for such termination.

(b) Executive's employment shall terminate upon:

(i) the death of Executive;

(ii) the "total disability" of Executive (as hereinafter defined in Subsection (c) herein) pursuant to Subsection (h) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "total disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Agreement or any breach of this Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's repeated failure to perform his duties in a satisfactory manner; Executive's performance of any act or his failure to act, as to which if

Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, this Agreement shall terminate immediately and Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual base salary and reimbursement of expenses pursuant to Section 5 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Agreement without "justifiable cause" as provided in Subsection 7 (a)(i), the Company shall pay Executive his then current base salary for five months after the effectiveness of such termination, payable in equal payments in accordance with the Company's customary payroll practices. However, if Executive is employed or retained, as an employee, independent contractor, consultant or in any other capacity or if he is offered another position by the Company at a comparable salary ("New Employment") prior to or during the time he receives payment under this Subsection or Subsection 3 (b), the Company is entitled to a credit for all sums paid or earned by Executive during this period of time or which he could have earned had he accepted the comparable position by the Company. The Executive must make a good faith effort to find New Employment and mitigate the amount of money to be paid by the Company to Executive under this Subsection or Subsection 3(b). Executive also agrees to immediately notify the Company if and when he is offered another position and/or accepts another position. The Company will pay any amount due and owing in accordance with the payment schedule in 3(a), until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his death.

(g) Upon Executive's "total disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this Subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled to receive only such portion of his annual base salary and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of his resignation.



(i) Change of Control. In the event the Executive's employment with the Company is terminated by the Company during the Term without justifiable cause within twelve months following a Change of Control of the Company occurring during the Term then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of base annual salary in effect at the time of the termination, payable in equal payments in accordance with the Company's customary payroll practices, which amount will be subject to mitigation in accordance with Section 7(e) above. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Stock Option Plan (without regard to any subsequent amendments thereto). Any payment pursuant to this paragraph 7(i) is contingent upon Executive's execution of a general release and separation agreement in a form acceptable to the Company and will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Agreement.

8. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a first conviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgement, decree, or final order (i) enjoining him from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under Section 7(d) of this Agreement.

9. NON-COMPETITION

Executive agrees that during his employment by the Company and during the two (2) year period following the termination of Executive's employment hereunder (the "Non-compete and Non-solicitation Period"), Executive shall not:

(a) directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Company or any of its subsidiaries or affiliates are then conducting or proposing to conduct business, including, without limitation, the United States of America and its possessions, Canada and Europe; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation;

(b) directly or indirectly, request or cause any suppliers or customers with whom the Company or any of its subsidiaries and affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries and affiliates or otherwise compromise the Company's good will or solicit, hire, offer employment to, or in any manner encourage current employees of the Company to leave its employ. Executive further agrees that the same prohibition applies to any former employees who were employed by the Company at any time during Employee's final six months of employment with the Company.

(c) If any portion of the restrictions set forth in this Section 9 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this Section 9, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(d) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this Section 9 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(e) The existence of any non-material claim or cause of action (a "non-material" claim or cause of action is defined as a claim or cause of action which results from something other than a material breach of the terms and provisions of this Agreement by the Company) by

Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

(f) In the event that Employee breaches any of the provisions of Paragraph 9 of this Agreement, the Non-Compete and Non-Solicitation period shall be tolled until such breach has been duly cured.

(g) In the event that Employee believes that employment otherwise in violation of this Agreement would not harm the Company's legitimate business interests, Employee may request Company to waive the restrictions contained in this Agreement. Any such request shall be made in writing to the Senior Vice President, Human Resources at the Company and shall identify the business with which Employee seeks to associate and describe the duties that Employee seeks to perform. The Company has the sole discretion whether to grant such a waiver and no waiver of any restrictions under this Agreement shall be effective unless in writing and signed by the CFO/COO or CEO of the Company.

#### 10. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and Methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of \$250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Agreement.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to him or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the term of this Agreement or at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors of the Company, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries and affiliates, the directors of the Company or its subsidiaries and affiliates, any supplier or customer of the Company or any of their subsidiaries and affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this Section 11(a) by Executive.

(b) All information and documents relating to the Company and its affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

12. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 9, 10 or 11 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether a breach or threatened

breach of any Restrictive Covenant has occurred. The Company shall be entitled to recover from Executive all attorneys' fees and expenses reasonably incurred in establishing a breach of this agreement. The damages, attorneys' fees and costs shall be in addition to and not in lieu of any preliminary injunctive relief that may be available to the Company.

13. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

15. SEVERABILITY

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or by a reputable overnight courier with receipt acknowledgement capabilities, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

17. WAIVER OR BREACH

It is agreed that a waiver by either party or a breach of any provision of this Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Agreement (or excerpts of the Agreement) to others, including businesses or entities that may employ, do business with, or

consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Agreement or otherwise render inapplicable any of the provisions of paragraphs 9 through 12 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

19. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 7, 8, 9, 10, 11 and 12 hereof.

20. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this Section 20.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts and each party consents to the personal jurisdiction of any such state or federal court.

21. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

22. HEADINGS

The Section headings appearing in this Agreement are for the purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, as of the date and year first above written.

CASUAL MALE RETAIL GROUP, INC.,  
Its subsidiaries and affiliates

By: /s/ David A. Levin  
Name: David A. Levin  
Its: President, Chief Executive Officer

Date: 6-16-08

By: /s/ Dennis R. Hernreich  
Name: Dennis R. Hernreich  
Its: Executive VP, COO, CFO

Date: 6-16-08

/s/ Francis C. Chane  
Francis Chane

Date: 6-16-08

DESCRIPTION OF NON-EMPLOYEE DIRECTOR COMPENSATION  
ARRANGEMENT

The Board of Directors of the Company at a meeting held on July 31, 2008 adopted the following revised arrangement for the compensation to be paid to Directors of the Company who are not serving as employees of the Company ("Non-Employee Directors"). Currently, all of the members of the Board of Directors are Non-Employee Directors except David Levin and Seymour Holtzman.

- Non-Employee Directors re-elected at the 2008 annual meeting of stockholders were granted options to acquire 25,000 shares of Company common stock vesting in increments of one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third on the second anniversary of the date of grant. These options had an exercise price of \$4.06 per share, the closing price of the Company's common stock on the date of grant. In addition, each Non-Employee Director was paid an amount equal to \$49,000.00. The total value of the options granted (based on a Black-Scholes valuation) and the cash payment received for each Non-Employee Director equaled the total value of the options granted (based on a Black-Scholes valuation) to each Non-Employee Director upon their re-election in 2007.
- Effective January 1, 2009, annually upon their re-election to the Board of Directors, each Non-Employee Director shall be paid \$82,250. Previously, Non-Employee Directors received options to acquire 25,000 shares of Company common stock upon their re-election.
- The Chairperson of the Audit Committee shall be paid an annual fee equal to \$10,000 upon his/her selection to serve as such. This continues the Company's prior practice.
- Effective January 1, 2009, the respective Chairperson of the Nominating and Corporate Governance Committee and the Compensation Committee shall each be paid an annual fee equal to \$5,000 upon his/her selection to serve as such. Previously, these chairpersons did not receive a fee for such services.
- Effective January 1, 2009, each Non-Employee Director shall be paid a fee of \$1,500 per meeting for his/her attendance at in-person meetings of the Board of Directors and committees and \$750 per meeting for his/her attendance at telephonic meetings of the Board of Directors and committees. Previously, Non-Employee Directors were paid \$4,000 for their attendance at in-person Board meetings and \$3,000 per meeting for their attendance at in-person committee meetings and \$500 per meeting for their attendance at telephonic meetings.



- Effective January 1, 2009, each Non-Employee Director shall be paid an annual retainer equal to \$20,000. Previously, Non-Employee Directors did not receive an annual retainer.

The Non-Employee Directors will have the right to elect payments of the values set forth above in any combination of cash, Company restricted stock or Company stock options assuming there is an adequate number of shares of restricted stock or stock options available under the Company's 2006 Incentive Compensation Plan. In the event that the Company does not have a sufficient number of shares or options remaining under the 2006 Incentive Compensation Plan, the payments will be made in cash to the extent of such insufficiency. The elections by the Non-Employee Directors must be made in writing and submitted to the General Counsel of the Company no later than December 1<sup>st</sup> of the year preceding the year for which the election is to be effective. All elections, once submitted, are irrevocable for that year. In the event a timely election is not made, the payments will be made in cash for that year. For the purposes of determining the relative values of restricted stock and options, each share of Company restricted stock shall be assigned a value equal to the closing price of a share of the Company's common stock as reported by the NASDAQ Stock Market, Inc. on the effective grant date and each option to acquire a share of Company common stock shall be assigned a value equal to the Black-Scholes value of an option to acquire a share of Company common stock on the effective grant date with an exercise price equal to the closing price of a share of the Company's common stock as reported by the NASDAQ Stock Market, Inc. on such grant date. Any options issued pursuant to the foregoing shall be exercisable for 10 years after the date of grant and shall vest in increments of one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third on the second anniversary of the date of grant. Any shares of restricted stock issued pursuant to the foregoing shall have terms providing that the restrictions thereon lapse in increments of one-third on the date of issuance, one-third on the first anniversary of the date of issuance and one-third on the second anniversary of the date of issuance.

It is anticipated that the Non-Employee Director compensation arrangement described above will be memorialized in a formal written plan that will be subject to approval of the Board.

## CERTIFICATION

I, David A. Levin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Casual Male Retail Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2008

/s/ DAVID A. LEVIN

David A. Levin  
Chief Executive Officer

## CERTIFICATION

I, Dennis R. Hernreich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Casual Male Retail Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2008

/s/ DENNIS R. HERNREICH

Dennis R. Hernreich  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Casual Male Retail Group, Inc. (the "Company") for the period ended August 2, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Levin, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Dated: August 22, 2008

/s/ DAVID A. LEVIN

David A. Levin

Chief Executive Officer

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Casual Male Retail Group, Inc. (the "Company") for the period ended August 2, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis R. Hernreich, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Dated: August 22, 2008

/s/ DENNIS R. HERNREICH

Dennis R. Hernreich  
Chief Financial Officer

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*