

**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 4, 2007

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 "X" 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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 17, 2007 was 41,651,080.

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

	<u>August 4, 2007</u> <u>(unaudited)</u>	<u>February 3, 2007</u>
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 5,902	\$ 5,325
Accounts receivable	3,625	3,833
Inventories	119,740	114,535
Deferred and prepaid income taxes	7,985	6,897
Prepaid expenses and other current assets	13,249	11,133
Total current assets	150,501	141,723
Property and equipment, net of accumulated depreciation and amortization	61,582	59,063
<i>Other assets:</i>		
Goodwill	60,656	60,636
Other intangible assets	35,358	35,534
Deferred income taxes	19,035	21,384
Other assets	2,062	2,096
Total assets	\$ 329,194	\$ 320,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Current liabilities:</i>		
Current portion of other long-term debt	\$ 4,344	\$ 688
Current portion of deferred gain on sale-leaseback	1,465	1,465
Accounts payable	27,983	35,368
Income taxes payable	—	614
Accrued expenses and other current liabilities	24,588	28,278
Notes payable	44,621	8,529
Total current liabilities	103,001	74,942
<i>Long-term liabilities:</i>		
Deferred gain on sale-leaseback, net of current portion	25,645	26,378
Long-term debt, net of current portion	13,032	—
Other long-term liabilities	874	1,070
Total liabilities	142,552	102,390
<i>Stockholders' equity:</i>		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding at August 4, 2007 and February 3, 2007	—	—
Common stock, \$0.01 par value, 75,000,000 shares authorized, 52,150,988 and 50,860,322 shares issued at August 4, 2007 and February 3, 2007, respectively	522	509
Additional paid-in capital	269,353	258,334
Retained earnings (accumulated deficit)	2,350	(1,249)
Treasury stock at cost, 10,499,742 shares and 6,686,029 shares at August 4, 2007 and February 3, 2007, respectively	(85,045)	(38,570)
Accumulated other comprehensive loss	(538)	(978)
Total stockholders' equity	186,642	218,046
Total liabilities and stockholders' equity	\$ 329,194	\$ 320,436

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 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Sales	\$ 114,209	\$ 111,802	\$ 225,513	\$ 214,666
Cost of goods sold, including occupancy	61,012	61,179	121,359	119,039
Gross profit	53,197	50,623	104,154	95,627
Expenses:				
Selling, general and administrative	43,911	40,234	88,266	79,593
Depreciation and amortization	4,233	3,440	8,290	6,690
Total expenses	48,144	43,674	96,556	86,283
Operating income	5,053	6,949	7,598	9,344
Other income, net	138	—	275	1,112
Interest expense, net	(1,070)	(1,351)	(1,876)	(2,570)
Income before provision for income taxes	4,121	5,598	5,997	7,886
Provision for income taxes	1,648	2,197	2,398	3,098
Net income	<u>\$ 2,473</u>	<u>\$ 3,401</u>	<u>\$ 3,599</u>	<u>\$ 4,788</u>
Net income – basic	\$ 0.06	\$ 0.10	\$ 0.09	\$ 0.14
Net income – diluted	\$ 0.06	\$ 0.09	\$ 0.08	\$ 0.13
Weighted average number of common shares outstanding				
- basic	41,606	34,719	41,899	34,801
- diluted	43,338	45,999	43,878	37,128

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 4, 2007	July 29, 2006
Cash flows from operating activities:		
Net income	\$ 3,599	\$ 4,788
Adjustments to reconcile net income to net cash (used for) provided by operating activities:		
Depreciation and amortization	8,290	6,690
Gain on sale of subsidiary	—	(1,483)
Amortization of deferred gain from sale-leaseback	(733)	(733)
Issuance of common stock to related party	—	101
Issuance of common stock to Board of Directors	95	54
Stock based compensation expense	851	248
Loss on disposal of fixed assets	17	154
Changes in operating assets and liabilities:		
Accounts receivable	71	2
Inventories	(5,205)	(8,883)
Prepaid expenses	(2,116)	(1,302)
Other assets	(94)	1,452
Accounts payable	(7,385)	3,685
Income taxes payable	648	—
Accrued expenses and other current liabilities	(2,115)	(2,338)
Net cash (used for) provided by operating activities	(4,077)	2,435
Cash flows from investing activities:		
Additions to property and equipment	(10,542)	(7,832)
Net proceeds from sale-leaseback of corporate headquarters	—	55,937
Acquisition of Jared M., net of cash acquired	—	(2,580)
Payment of earn-out provision for Rochester acquisition	(1,333)	(1,333)
Net proceeds from sale of subsidiary, LP Innovations, Inc.	138	2,570
Net cash (used for) provided by investing activities	(11,737)	46,762
Cash flows from financing activities:		
Net borrowings (repayments) under credit facility	36,092	(32,105)
Proceeds from issuance of secured note	17,376	—
Principal payments on long-term debt	(688)	(7,000)
Repurchase of common stock	(46,475)	(13,142)
Issuance of common stock under option program and warrants	10,086	5,212
Net cash provided by (used for) financing activities	16,391	(47,035)
Net change in cash and cash equivalents	577	2,162
Cash and cash equivalents:		
Beginning of the period	5,325	5,568
End of the period	<u>\$ 5,902</u>	<u>\$ 7,730</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 4, 2007
(In thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings (Accumulated Deficit)	Accumulated other comprehensive loss	Total
	Shares	Amounts		Shares	Amounts			
Balance at February 3, 2007	<u>50,860</u>	<u>\$ 509</u>	<u>\$258,334</u>	<u>(6,686)</u>	<u>\$(38,570)</u>	<u>\$ (1,249)</u>	<u>\$ (978)</u>	<u>\$218,046</u>
Repurchase of common stock				(3,814)	(46,475)			(46,475)
Exercises under option program	251	3	1,335					1,338
Exercises of warrants	1,029	10	8,738					8,748
Stock-based compensation expense			851					851
Board of Directors compensation	11	—	95					95
Accumulated other comprehensive income-foreign currency							440	440
Net income						3,599		3,599
Total comprehensive income								4,039
Balance at August 4, 2007	<u>52,151</u>	<u>\$ 522</u>	<u>\$269,353</u>	<u>(10,500)</u>	<u>\$(85,045)</u>	<u>\$ 2,350</u>	<u>\$ (538)</u>	<u>\$186,642</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 3, 2007 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on April 2, 2007.

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 2007 is a 52-week period ending on February 2, 2008. Fiscal 2006 was a 53-week period, with the fourth quarter containing 14 weeks.

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.

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 2007 and fiscal 2006, the Company recognized total compensation expense of \$851,000 and \$248,000, respectively. The total compensation cost related to non-vested awards not yet recognized as of August 4, 2007 is approximately \$3.8 million which will be expensed over a weighted average remaining life of 25 months.

Valuation Assumptions for Stock Options

For the first six months of fiscal 2007 and fiscal 2006, 631,004 and 670,000 stock options were granted, respectively. The weighted-average exercise price of the 631,004 stock options was \$11.86 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 4, 2007 and July 29, 2006:

	<u>August 4, 2007</u>	<u>July 29, 2006</u>
Expected volatility	40.0%	45.0%
Risk-free interest rate	4.50-4.57%	4.48%-5.02%
Expected life	2.0-3.0 yrs	4.0-4.5 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.

During the first quarter of fiscal 2007, warrants to purchase approximately 1.0 million shares of the Company's common stock were exercised. The total intrinsic value of these warrants at the time of exercise was \$3.4 million.

2. Change in Accounting Principle - Inventory

In the second quarter of fiscal 2006, the Company changed its inventory valuation method. Inventory for the first quarter of fiscal 2006 was principally valued at the lower of cost or market on a first in, first out ("FIFO") basis, under the retail inventory method. Inventory for its catalog and e-commerce businesses were accounted for using the average cost method, which approximated the retail method. Commencing in the second quarter of fiscal 2006, all inventories were valued at the lower of cost or market, using a weighted-average cost method.

At July 29, 2006, the revaluation of inventory using the weighted-average cost method approximated the inventory valuation under the previous FIFO retail method; accordingly, the impact of the change was not material to the financial statements for the three and six month periods ended July 29, 2006.

3. Debt Credit

Agreement with Bank of America Retail Group, Inc.

The Company had outstanding borrowings of \$44.6 million under its credit facility, as most recently amended July 20, 2007, with Bank of America Retail Group, LLC, (the "Credit Facility") at August 4, 2007. Outstanding standby letters of credit were \$2.7 million and outstanding documentary letters of credit were \$2.9 million. Average monthly borrowings outstanding under this facility during the first six months of fiscal 2007 were approximately \$44.5 million, resulting in an average unused excess availability of approximately \$42.5 million. Unused excess availability at August 4, 2007 was \$46.7 million. The Company was in compliance with all debt covenants under the Credit Facility at August 4, 2007.

The fair value of amounts outstanding under the Credit Facility approximates the carrying value at August 4, 2007. 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 4, 2007, the prime-based interest rate was 8.25%. The Company had approximately \$28.0 million of its outstanding borrowings in LIBOR-based contracts with an interest rate of approximately 6.58%.

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 "Secured Note"), whereby the Company borrowed an aggregate of \$17.4 million from BALC. The Secured Note is secured by a security interest in all of the Company's rights, title and interest in and to certain equipment. The Secured Note is due July 20, 2011 and accrues 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 on August 20, 2007. The Company is subject to a prepayment penalty equal to 1% of the prepaid principal until July 20, 2008, 0.5% of the prepaid principal from July 21, 2008 through July 20, 2009 and no prepayment penalty thereafter. The Master Agreement includes certain debt covenants similar to, and no more restrictive than, those under the Company's Credit Facility with Bank of America, N.A. The Company was in compliance with all debt covenants under the Master Agreement at August 4, 2007.

5% senior subordinated notes due 2007

In May 2002, the Company issued 5% senior subordinated notes due 2007 through a private placement with the Kellwood Company. The Company has been making quarterly principal payments in the amount of \$687,500 since fiscal 2003. During the first quarter of fiscal 2007, the Company repaid these notes in full by making its final quarterly payment.

4. Equity

Earnings Per Share

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

<i>(in thousands)</i>	For the three months ended		For the six months ended	
	August 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Net Income				
Net income – basic	\$ 2,473	\$ 3,401	\$ 3,599	\$ 4,788
Add back of interest costs, tax effected, assuming conversion of convertible notes ⁽¹⁾	—	717	—	—
Net income – diluted	\$ 2,473	\$ 4,118	\$ 3,599	\$ 4,788
Common Stock Outstanding				
Basic weighted average common shares outstanding	41,606	34,719	41,899	34,801
Add:				
Stock options and warrants	1,732	2,383	1,979	2,327
Shares issued upon conversion of convertible notes at \$10.65 per share ⁽¹⁾	—	8,897	—	—
Diluted weighted average common shares outstanding	<u>43,338</u>	<u>45,999</u>	<u>43,878</u>	<u>37,128</u>

- (1) There were no outstanding convertible notes for the three and six months periods ended August 4, 2007. Shares issuable upon the conversion of the convertible notes of 8.9 million for the six months ended July 29, 2006 were excluded from the calculation of diluted earnings per share because they were anti-dilutive to earnings using the “if-converted” method.

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. As described in footnote 1 to the table above, for the first six months of fiscal 2006 convertible notes were also excluded because they were anti-dilutive using the ‘if-converted’ method.

<i>(in thousands, except exercise prices)</i>	For the three months ended		For the six months ended	
	August 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Options	621	351	491	351
Warrants	—	—	—	—
Convertible notes at \$10.65 per share	—	—	—	8,897
Range of exercise prices of such options, warrants and convertible notes	\$11.15-\$12.35	\$10.15-\$10.30	\$11.81-\$12.35	\$10.15-\$10.65

The above options, which were outstanding and out-of-the-money at August 4, 2007, expire from July 31, 2016 to July 16, 2017.

Stock Repurchase Program

On December 4, 2006, in connection with the Company's decision to redeem a portion of its 5% senior subordinated convertible notes, the Company's Board of Directors approved a \$75.0 million stock repurchase program, replacing the existing \$30.0 million stock repurchase program that was currently in place. Under this stock repurchase program, the Company is authorized to repurchase up to \$75.0 million of its common stock through open market and privately negotiated transactions pursuant to Rule 10b-18 of the Exchange Act. The stock repurchase program expires on December 31, 2007 but may be terminated earlier at any time without prior notice. Under this \$75.0 million stock repurchase program, the Company has acquired 3.9 million shares at an aggregate cost of \$48.0 million, leaving another \$27.0 million of repurchases to complete the program. During the first six months of fiscal 2007, the Company repurchased approximately 3.8 million shares for an aggregate price of \$45.9 million.

During the second quarter of fiscal 2007, the Company received from an employee 47,617 shares of its common stock with a value of \$0.6 million as payment upon stock options exercises.

At August 4, 2007, the Company has a total of 10.5 million shares of repurchased stock at an aggregate cost of \$85.0 million which is reported by the Company as treasury stock and is reflected as a reduction in stockholders' equity.

FAS 158

In September 2006, the FASB issued Statement of Accounting Standards No. 158 ("FAS 158") *Employers Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87,88,106 and 132(R)*. This statement improves financial reporting by requiring an employer to recognize the over-funded or under-funded status of a defined benefit postretirement plan as an asset or liability and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. Public companies are required to initially recognize the funded status of a defined benefit postretirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006.

In the Company's Form 10-K for the fiscal year ended February 3, 2007, a FAS 158 transition adjustment in the amount of \$(1,111), net of tax, was recognized as a component of the ending balance of Accumulated Other Comprehensive Income (Loss). This adjustment was misapplied as a component of Comprehensive Income rather than as a component to the ending Accumulated Other Comprehensive Income (Loss). The table below reflects the misapplication of this adjustment at February 3, 2007:

	As Reported	Misapplied	As Revised
Other Comprehensive Loss, Net of Tax	\$ (978)	\$ (1,111)	\$ 306
Comprehensive Income	\$41,827	\$ (1,111)	\$42,938

The Company will correct the Other Comprehensive Loss and Comprehensive Income presentation in the Form 10-K for the fiscal year ending February 2, 2008. This change in presentation will not affect the Consolidated Balance Sheets or Consolidated Statements of Operations.

5. Income Taxes

During the fourth quarter of fiscal 2006, the Company determined that it was "more likely than not" that it would be able to realize the benefits of substantially all of its deferred tax assets and the majority of the Company's valuation allowance was reversed at that time. Based on net operating loss carryforwards available to the Company, management expects that cash payments for taxes will continue to be minimal at this time. At August 4, 2007, the Company had total gross deferred tax assets of approximately \$28.3 million, with a corresponding valuation allowance of \$1.3 million. These tax assets principally relate to federal net operating loss

carryforwards that expire from 2018 through 2024. 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 adopted FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), as of February 4, 2007. 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. Deferred taxes are accounted for using the balance sheet liability method with respect to temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. Deferred taxes are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred taxes are charged or credited in the income statement, except when related items are credited or charged directly to equity, in which case the deferred taxes are also dealt with in equity.

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 February 3, 2007 and August 4, 2007, 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 second quarter or first six months of fiscal 2007.

6. Sale of LP Innovations, Inc. subsidiary

During the first quarter of fiscal 2006, the Company sold its loss prevention subsidiary, LP Innovations, Inc. ("LPI"), to a private equity group for a purchase price of \$5.2 million. The Company received \$3.0 million of the purchase price in cash at the closing and entered into a note for the remaining purchase price of \$2.2 million. The note requires LPI to make quarterly payments to the Company commencing on the first anniversary of the note. The Company recognized an initial gain on the sale of LPI in the amount of \$1.5 million which was recognized as "other income" in the results for the first six months of fiscal 2006. Due to the uncertainty regarding the collection of the note, the Company fully reserved the balance of the note on the Consolidated Balance Sheet and recognizes income on the note when realizability is assured. For the second quarter and first six months of fiscal 2007, the Company recognized \$137,500 and \$275,000, respectively, as "other income."

7. Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS 159 ("SFAS 159"), "The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115". SFAS 159 provides companies with an option to measure, at specified election dates, many financial instruments and certain other items at fair value that are not currently measured at fair value. A company that adopts SFAS 159 will report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently assessing the impact of adopting SFAS 159.

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 3, 2007, filed with the Securities and Exchange Commission on April 2, 2007, 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 and tall men's apparel with retail operations throughout the United States, Canada and London, England. We operate 473 Casual Male XL retail and outlet stores, 5 Casual Male at Sears Canada stores, 25 Rochester Big & Tall 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 February 2, 2008 and February 3, 2007 as "fiscal 2007" and "fiscal 2006," 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 comparative store 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

Summary

During the first six months of fiscal 2007, we continued to focus on our long-term goal of growing our market share within the big & tall market through the introduction of new brands and product extensions of our existing brands:

- We launched our first *B & T Factory Direct* catalog for Spring 2007. This new catalog offering, along with our new e-commerce site www.btirect.com which we launched in Fall 2006, will allow us an opportunity to cater to our value-oriented customers. We will carry several private label lines which will be very similar in fashion and style to our private label lines in our retail stores but will be made at lower costs and sold at lower price points.

- In October 2006, we acquired Supersize World, a direct-to-consumer business which we believed was an ideal fit for our existing customers. During the first quarter of fiscal 2007, we launched the newly designed and updated website www.livingXL.com. The website provides our customers a collection of unique, innovative and high quality products for tall and plus-sized men and women to help them achieve a more comfortable lifestyle. During the second quarter of fiscal 2007, we launched the LivingXL catalog, which carries similar products as the website.
- During the first quarter of fiscal 2007, we added Jared M. concept stores into three of our existing Rochester Big & Tall stores offering our Rochester customers ready-to-wear merchandise similar to the custom line sold at our Jared M. New York showroom. During the second quarter of fiscal 2007, we rolled out our made-to-measure product into these Rochester locations, offering our customers a custom made alternative to their traditional offerings.
- Subsequent to the end of the second quarter of fiscal 2007, we launched our new website www.shoesxl.com, which will carry a complete line of men's footwear in extended sizes. This website offers our customers a full range of footwear in hard-to-find sizes. Our plan is to significantly increase our sales penetration in the shoe product category to levels which are more in line with men's apparel spending for shoes. We will be adding the expanded shoe assortments within our existing Casual Male and Rochester catalogs, including on our websites, www.casualmalexl.com and www.rochesterclothing.com, as well as featuring the entire shoe product assortments on www.shoesxl.com.

Our operating income during the first six months of fiscal 2007 was \$7.6 million resulting in net income of \$3.6 million, or \$0.08 per diluted share. For the second quarter of fiscal 2007, operating income was \$5.1 million resulting in net income of \$2.5 million, or \$0.06 per diluted share. Operating income was less than last year by \$1.7 million for the first six months of 2007, and \$1.9 million less than last year for the second quarter of fiscal 2007. There were two primary items which impacted operating income during the first half of fiscal 2007; (1) the losses from our new businesses of \$1.9 million for the first six months of fiscal 2007 and \$0.9 million for the second quarter of fiscal 2007, and (2) and \$0.7 million in legal expenses incurred in the second quarter of fiscal 2007 associated with our successful litigation of a lawsuit. After considering these items, operating income for the first six months of fiscal 2007 was 10% above last year's levels and slightly less for the second quarter of fiscal 2007. On an earnings per diluted share basis, this \$2.5 million, together with last year's \$1.4 million gain on the sale of LPI resulted in a difference of approximately \$0.05 per diluted share for the first half of 2007 compared to last year.

For the second half of fiscal 2007, based upon the fact that we anticipate that our selling, general and administrative expenses will be flat to last year's levels, gross margins are expected to improve from last year's levels by 2.0 percentage points, and we expect that our comparable sales growth from our Casual Male and Rochester core businesses will be between 3.7% and 5.8%. We anticipate our earnings will improve from last year's levels by between \$7.0-\$9.0 million and expect earnings for fiscal 2007 of between \$0.45-\$0.50 per diluted share. With respect to the Company's expectations with its new businesses, we had previously stated that we were planning the new businesses to attain an operating breakeven level for fiscal 2007; although we expect the new businesses to generate a modest operating profit in the second half of fiscal 2007, we expect that the new businesses will generate an operating loss of approximately \$1.3 million for fiscal 2007.

Sales

For the second quarter of fiscal 2007, sales, which include our e-commerce and catalog businesses, increased 2.2% to \$114.2 million as compared to \$111.8 million for the second quarter of fiscal 2006. The sales increase of \$2.4 million was driven by increases among all channels, with our direct-to-consumer business representing approximately \$1.6 million of the increase. For the second quarter of fiscal 2007, our new businesses, which include Jared M., LivingXL and B&T Factory Direct, had sales of \$2.0 million. Comparable sales increased 3.9% during the second quarter of fiscal 2007, after adjusting for the calendar shift caused by the 53 week period in fiscal 2006, of which the retail channel increased 2.8% and our direct channel increased 11.3%.

Total sales for the first six months of fiscal 2007 increased 5.1% to \$225.5 million as compared to \$214.7 million for the first six months of fiscal 2006. The sales increase of \$10.8 million was driven by increases among all channels, with our retail stores representing 52% of the increase. The remainder of the increase was from our internet businesses which had an increase of 16.8% for

the first six months of fiscal 2007 as compared to the prior year. For the first six months of fiscal 2007, our new businesses, which include Jared M., LivingXL and B&T Factory Direct, had sales of \$3.2 million. Comparable sales increased 5.0% during the first six months of fiscal 2007, of which the retail channel increased 3.4% and our direct channel increased 15.3%.

During the first six months of fiscal 2007, comparable sales from our core Casual Male and Rochester businesses, excluding the new businesses, generated an increase of approximately 4.1%. For the second half of fiscal 2007, we are anticipating an increase in comparable sales from our core businesses to approximate between 3.7% and 5.8% as compared to the prior year, and together with the expected \$19.0 million from new businesses, total sales for fiscal 2007 are expected to approximate between \$495.0 and \$500.0 million.

Gross Profit Margin

For the second quarter of fiscal 2007, the Company's gross margin rate, inclusive of occupancy costs, was 46.6% which was an increase of 1.3 percentage points as compared to a gross margin rate of 45.3% for the second quarter of fiscal 2006. This increase was attributable to improved merchandise margins of approximately 1.8 percentage points over the prior period offset by a slight increase in occupancy rates as a percent of sales of 0.5 percentage points. The improvement in merchandise margin was primarily due to continued increases in initial margins related to our direct sourcing and, to a lesser extent, lower overall markdown percentage. The slight increase in occupancy costs as a percent of sales was principally due to the new store leases and lease option renewals.

Gross margin for the first six months of fiscal 2007 was 46.2% which was an increase of 1.6 percentage points as compared to a gross margin rate of 44.6% for the first six months of fiscal 2006. The increase of 1.6 percentage points was attributable to our improved merchandise margins of approximately 1.8 percentage points offset slightly by an increase in occupancy rates as a percent of sales of 0.2 percentage points.

We anticipate that our gross margins for fiscal 2007 will continue to show improvement for the balance of the year, resulting in an overall increase of between 1.5 and 1.8 percentage points for fiscal 2007, or between 47.0% and 47.3%.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses as a percentage of sales for the second quarter of fiscal 2007 were 38.4% of sales as compared to 36.0% for the second quarter of fiscal 2006. For the first six months of fiscal 2007, SG&A expenses were 39.1% of sales as compared to 37.1% for the first six months of fiscal 2006. The increase in SG&A of \$3.7 million and \$8.7 million for the second quarter and first six months of fiscal 2007, respectively, is partially due to approximately \$1.5 million and \$3.0 million related to our new businesses and product extensions, respectively. During the second quarter of fiscal 2007, we also incurred approximately \$0.7 million in legal expenses related to litigation in which we were the plaintiff. We were awarded damages of \$1.5 million plus interest. Collection of this award is subject to a legal process and will be recognized when ultimately realized. The balance of the SG&A increases were as anticipated and relate primarily to sales volume-related costs, such as supporting payroll, transaction and marketing expenses to support our growth.

For the balance of fiscal 2007, we expect our SG&A levels to approximate last year's levels, inclusive of our new businesses and, therefore, we anticipate that our SG&A expense levels for fiscal 2007 will approximate between \$180.0 to \$182.0 million, of which approximately \$11.5 million relate to our new businesses.

Interest Expense, Net

Net interest expense was \$1.1 million for the second quarter of fiscal 2007 as compared to \$1.4 million for the second quarter of fiscal 2006. For the first six months of fiscal 2007 net interest expense was \$1.9 million as compared to \$2.6 million for the first six months of fiscal 2006. This decrease in interest expense is principally due to the conversion of our convertible notes during the fourth quarter of fiscal 2006, which has resulted in lower debt levels. This decrease was partially offset by increased interest costs from our Credit Facility as a result of increased borrowings to fund our stock repurchase program. In July 2007, we also entered into a Master Loan and Security Agreement and related Equipment Security Note for approximately \$17.4 million in additional borrowings. See our Liquidity discussion below.

Other Income, Net

During the first quarter of fiscal 2006, we sold our subsidiary LP Innovations, Inc. at which time we recognized an initial gain of \$1.5 million. This gain of \$1.5 million was partially offset in the prior year by certain non-operating expenses of \$0.4 million. As part of the sale, we received a note receivable for a portion of the sale price which we fully reserved against at that time. We are recognizing income as the note is repaid or as realizability is assured. See Note 6 to the Consolidated Financial Statements for a complete description of the sale. For the second quarter and first six months of fiscal 2007, \$137,500 and \$275,000, respectively, of the gain was recognized as other income.

Income Taxes

Based on net operating loss carryforwards available to us, we expect that cash payments for taxes will continue to be minimal at this time. At August 4, 2007, our total gross deferred tax assets were approximately \$28.3 million, with a corresponding valuation allowance of \$1.3 million. These tax assets principally relate to federal net operating loss carryforwards that expire from 2018 through 2024. The valuation allowance of \$1.3 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 2007, net income was \$2.5 million, or \$0.06 per diluted share, as compared to \$3.4 million, or \$0.09 per diluted share, for the second quarter of fiscal 2006. For the first six months of fiscal 2007, net income was \$3.6 million, or \$0.08 per diluted share, as compared to \$4.8 million, or \$0.13 per diluted share, for the first six months of fiscal 2006. Net income for the first six months of fiscal 2006 included a pre-tax gain of \$1.5 million related to the sale of LPI as compared to \$0.3 million for the first six months of fiscal 2007, as discussed above.

Inventory

At August 4, 2007, total inventory equaled \$119.7 million compared to \$114.5 million at February 3, 2007 and \$101.0 million at July 29, 2006. Inventory at the end of the second quarter of fiscal 2007 increased 4.5% as compared to February 3, 2007 and increased 18.5% compared to July 29, 2006.

The increase in inventory from February 3, 2007 of \$5.2 million is principally due to added inventories of \$3.4 million in our Casual Male XL stores and \$2.0 million in our direct businesses to support our increased sales volumes and also to maintain a sufficient in-stock position in our core merchandise and an increase of \$1.4 million in inventories related to our new businesses. These increases were partially offset by a decrease in our Rochester business of approximately \$1.6 million.

The increase in inventory from July 29, 2006 of \$18.7 million is due to added inventories of \$7.8 million for our Casual Male XL business, \$5.8 million for our Rochester business, \$3.7 million for our direct businesses and an increase of \$1.4 million related specifically to our new businesses. These increases are supporting our continued sales growth as well as our new businesses and product extensions.

The growth in inventory levels has slowed during the first six months of fiscal 2007 as compared to the same period of fiscal 2006. At the end of the second quarter of fiscal 2007 our inventory level increased \$5.2 million while during the same period last year, inventory levels increased \$10.0 million. We anticipate that by the end of fiscal 2007, inventory levels will be approximately \$15.0-\$20.0 million less than the prior year.

In the second quarter of fiscal 2006, we changed our inventory valuation method to lower of cost or market, using a weighted-average cost method. Previously, substantially all of our inventory was valued using the lower of cost or market on a first in, first out ("FIFO") basis, under the retail inventory method. See Note 2 to the Consolidated Financial Statements for a full description.

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 system’s 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 any additional debt.

For the first six months of fiscal 2007, cash used by operating activities was \$4.1 million as compared to cash provided by operating activities of \$2.4 million for the corresponding period of the prior year. The decrease in cash flow from operating activities was primarily due to the timing of cash flow of our working capital accounts, such as the payment of inventory.

In addition to cash flow from operations, our other primary source of working capital is our credit facility with Bank of America Retail Group, Inc., which was most recently amended on July 20, 2007 (the “Credit Facility”). The Credit Facility provides for a total commitment of \$110 million comprised of (i) a \$100 million revolving credit facility which includes a sublimit of \$20 million for commercial and standby letter of credits and a sublimit of up to \$15 million for SwingLine Loans and (ii) a \$10 million “Last Out” revolving credit facility, which will be subordinate to the \$100 million revolving credit facility. If at any time our Excess Availability Ratio, as defined in the Credit Facility, is less than 50%, our borrowings must first be made from the “Last Out” revolving credit facility before borrowing from the \$100 million revolving credit facility. The maturity date of the Credit Facility is October 29, 2008. 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.

We had outstanding borrowings under the Credit Facility at August 4, 2007 of \$44.6 million. Outstanding standby letters of credit were \$2.7 million and outstanding documentary letters of credit were \$2.9 million. Average monthly borrowings outstanding under this facility during the first six months of fiscal 2007 were approximately \$44.5 million, resulting in an average unused excess availability of approximately \$42.5 million. Unused excess availability at August 4, 2007 was \$46.7 million.

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 “Secured Note”), whereby we borrowed an aggregate of \$17.4 million from BALC. The Secured Note is secured by a security interest in all of our rights, title and interest in and to certain equipment. The Secured Note is due July 20, 2011 and accrues 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 on August 20, 2007. We are subject to a prepayment penalty equal to 1% of the prepaid principal until July 20, 2008, 0.5% of the prepaid principal from July 21, 2008 through July 20, 2009 and no prepayment penalty thereafter.

The proceeds from the Secured Note will be used to fund our working capital needs and our stock repurchase program.

Stock Repurchase Program

On December 4, 2006, in connection with our decision to redeem a portion of our 5% senior subordinated convertible notes, our Board of Directors approved a \$75.0 million stock repurchase program. Under this stock repurchase program, we are authorized to repurchase up to \$75.0 million of our common stock through open market and privately negotiated transactions pursuant to Rule 10b-18 of the Exchange Act. The stock repurchase program expires on December 31, 2007 but may be terminated earlier at any time without prior notice. During the first six months of fiscal 2007, we repurchased approximately 3.8 million shares for an aggregate

price of \$45.9 million. Since the first quarter of fiscal 2006, we have repurchased a total of 5.3 million shares of our common stock at an aggregate cost of \$61.1 million. We have funded our stock repurchase program with borrowings from our Credit Facility. We believe that this stock repurchase program is a good investment of our available funds and reflects our commitment to our shareholders and our confidence in our earnings growth and accelerating cash flow.

At August 4, 2007, we have a total of 10.5 million shares of repurchased stock at an aggregate cost of \$85.0 million which is reported by us as treasury stock and is reflected as a reduction in stockholders' equity. As of August 4, 2007, we have \$27.0 million available under the current stock repurchase program pursuant to which we may repurchase additional shares through December 31, 2007.

Capital Expenditures

The following table sets forth the stores opened and related square footage at August 4, 2007 and July 29, 2006, respectively:

<u>Store Concept</u> <i>(square footage in thousands)</i>	<u>At August 4, 2007</u>		<u>At July 29, 2006</u>	
	<u>Number of Stores</u>	<u>Square Footage</u>	<u>Number of Stores</u>	<u>Square Footage</u>
Casual Male XL	473	1,628	484	1,662
Rochester Big & Tall	25	201	24	181
Sears Canada	5	3	12	14
Total Stores	503	1,832	520	1,857

Total cash outlays for capital expenditures for the first six months of fiscal 2007 were \$10.5 million as compared to \$7.8 million for the first six months of fiscal 2006. Below is a summary of store openings and closings since February 3, 2007:

	<u>Casual Male</u>	<u>Rochester Big & Tall</u>	<u>Sears Canada</u>	<u>Total stores</u>
At February 3, 2007	472	24	12	508
New outlet stores	3	1	—	4
New retail stores	2	—	—	2
Closed stores	(4)	—	(7)	(11)
At August 4, 2007	<u>473</u>	<u>25</u>	<u>5</u>	<u>503</u>

We expect our total capital expenditures for fiscal 2007 will be approximately \$19.0 million, of which \$7.8 million relates to capital for new stores, relocations and remodels and includes funds to relocate approximately 10 of our existing Casual Male XL retail stores at an estimated \$100,000 to \$120,000 for each location. We expect to incur approximately \$9.0 million for system enhancements and a new sortation system for our distribution center.

During the second quarter of fiscal 2007, we closed seven of our Sears Canada locations and expect to close the remaining five locations by the end of the third quarter of fiscal 2007. We currently plan to continue to participate in our co-branded catalogs with Sears Canada. For the remainder of fiscal 2007, we intend to open three new Casual Male XL stores and two Rochester Big & Tall retail stores. We also expect to close 14 existing Casual Male XL retail stores and one Rochester store as their respective leases expire and we plan to relocate seven other Casual Male XL locations. During the first six months of fiscal 2007, we have renovated 19 of our Casual Male XL stores and expect to renovate an additional 27 during the third quarter of fiscal 2007.

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 3, 2007 filed with the SEC on April 2, 2007.

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, 2008, bear interest at variable rates based on Bank of America's prime rate or the London Interbank Offering Rate ("LIBOR"). At August 4, 2007, the interest rate on our prime based borrowings was 8.25%. Approximately \$28.0 million of our outstanding borrowings were in LIBOR contracts with an average interest rate of approximately 6.58%. Based upon a sensitivity analysis as of August 4, 2007, assuming average outstanding borrowing during the first six months of fiscal 2007 of \$44.5 million, a 50 basis point increase in interest rates would have resulted in a potential increase in interest expense of approximately \$111,250.

Foreign Currency

Our Sears Canada store locations conduct business in Canadian dollars and our Rochester Big & Tall 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 stores 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 4, 2007, sales from our Sears Canada stores and our London Rochester Big & Tall 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 Securities Exchange Act of 1934, as amended (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 4, 2007. 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 4, 2007, 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 4, 2007 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.

Following a jury trial, the United States District Court for the District of Massachusetts entered judgment on July 6, 2007, in favor of us and against a competitor and a former independent contractor/consultant in the amount of \$1,480,000. The defendants' counterclaims were dismissed. The parties have filed post-trial motions that have not yet been scheduled for hearing. We intend to take appropriate steps to enforce and collect this judgment.

We have also filed a separate action in the United States District Court for the District of Massachusetts against the same former independent contractor/consultant and a separate former supplier and current competitor alleging similar misconduct. This second action remains in preliminary discovery stages. However, we intend to prosecute these claims vigorously.

We are also 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 its result of operations or its 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 3, 2007 filed with the SEC on April 2, 2007.

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

(c) Issuer Purchases of Equity Securities

The following is a summary of our share repurchase activity for the three months ended August 4, 2007:

<u>Period</u>	<u>(a)</u> <u>Total Number of</u> <u>Shares Purchased</u>	<u>(b)</u> <u>Average Price Paid</u> <u>per Share</u>	<u>(c)</u> <u>Total Number of</u> <u>Shares Purchased as</u> <u>Part of Publicly</u> <u>Announced Plan (3)</u>	<u>(d)</u> <u>Maximum Number</u> <u>(or Approximate</u> <u>Dollar Value) of</u> <u>Shares that May Yet</u> <u>Be Purchased Under</u> <u>the Plan (3)</u>
May 6, 2007 – June 1, 2007	674,354(1)	\$ 11.22	674,354	\$ 27,021,896
June 2, 2007 – July 6, 2007	—	—	—	—
July 7, 2007 – August 4, 2007	47,617(2)	\$ 11.81	—	—
Total	721,971	\$ 11.26	674,354	\$ 27,021,896

(1) Share repurchases under the program were made pursuant to open-market purchases.

(2) Represents shares delivered to us by employees upon stock option exercises.

(3) On December 18, 2006, we publicly announced a \$75 million stock repurchase program. The program will expire on December 31, 2007 but may be terminated earlier at any time without prior notice.

Item 3. Defaults Upon Senior Securities.

None.

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

We held our Annual Meeting of Stockholders on July 31, 2007. The matters submitted to a vote of our stockholders were (i) the election of eight directors and (ii) the ratification of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.

- (i) Our stockholders elected eight directors to hold office until the 2007 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	37,601,054	601,123
David A. Levin	37,607,162	595,015
Alan S. Bernikow	38,034,735	167,442
Jesse Choper	36,565,690	1,636,487
Ward K. Mooney	38,097,615	104,562
George T. Porter, Jr.	38,097,615	104,562
Mitchell S. Presser	38,035,219	166,958
Robert L. Sockolov	36,240,378	1,961,799

- (ii) Our stockholders also ratified the appointment of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year. The results of the voting were as follows:

<u>Votes FOR</u>	<u>Votes AGAINST</u>	<u>Votes ABSTAINED</u>
38,194,898	4,099	3,179

Item 5. Other Information.

On August 22, 2007, we entered into an employment agreement (the "Employment Agreement") with Walter E. Sprague, a Named Executive Officer in our 2007 Proxy Statement. The Employment Agreement remains in effect until terminated by either party. The Employment Agreement provides that Mr. Sprague will be paid a base salary at an annual rate of \$235,000 and will be eligible to participate in our annual appraisal process. Pursuant to the Employment Agreement, Mr. Sprague will also be eligible to participate in our annual incentive plan and our Long Term Incentive Plan.

The Employment Agreement provides that in the event that the executive officer's employment is terminated by us at any time for any reason other than "justifiable cause" (as defined in the Employment Agreement), disability or death, we are required to pay the executive officer his then current salary for five months after the effectiveness of such termination. In the event the executive's employment is terminated at any time during the twelve months following a Change in Control (as defined in the Employment Agreement) other than for "justifiable cause", we shall pay the executive an amount equal to twelve months of base annual salary in effect at the time of the termination. Mr. Sprague has also agreed to maintain the confidentiality of our confidential information and not to compete with the Company while his Employment Agreement is in effect and for a period of two years thereafter.

Item 6. Exhibits.

- 10.1 Employment Agreement between the Company and Wayne Diller dated January 30, 2006.

- 10.2 Employment Agreement between the Company and Ric Della Bernarda dated January 1, 2006.
- 10.3 Employment Agreement between the Company and Walter E. Sprague dated August 22, 2007.
- 10.4 Master Loan and Security Agreement dated July 20, 2007 between the Company and Banc of America Leasing & Capital LLC (included as Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 23, 2007, and incorporated herein by reference).
- 10.5 Equipment Security Note Number 17608-70001 to the Master Loan and Security Agreement dated July 20, 2007 between the Company and Banc of America Leasing & Capital LLC (included as Exhibit 10.2 to the Company's Current Report on Form 8-K filed July 23, 2007, and incorporated herein by reference).
- 10.6 First Amendment to Fifth Amended and Restated Loan and Security Agreement dated July 11, 2007 by and among the Company and Bank of America, N.A. (included as Exhibit 10.3 to the Company's Current Report on Form 8-K filed July 23, 2007, and incorporated herein by reference).
- 10.7 Second Amendment to Fifth Amended and Restated Loan and Security Agreement dated July 20, 2007 by and among the Company and Bank of America, N.A. (included as Exhibit 10.4 to the Company's Current Report on Form 8-K filed July 23, 2007, 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 24, 2007

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 January 30, 2006 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company"), and Wayne Diller (the "Executive") having an address at 233 Country Club Way, Kingston MA 02364.

WITNESSETH:

WHEREAS, the Company desires that Executive serve as Senior Vice President, Divisional Merchandise Manager & Visual Merchandising 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, Divisional Merchandise Manager & Visual Merchandising.

2. TERM

The term of employment under this Agreement shall begin on January 30, 2006 (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 thousand dollars (\$270,000).

(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 28% at target (35% max) (FY 2006) 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.

(d) In addition, Executive will receive a twenty five thousand dollar (\$25,000) Stay On Incentive, payable in a single lump sum (subject to all federal and state taxes and withholding). Payment will be made on the first regularly scheduled payroll following the execution of this Employment Agreement. In the event Executive's notice of resignation or effective date of resignation occurs within the first twelve (12) months of the effective date of this agreement of employment (on or prior to January 30, 2007), Executive agrees to repay Company the full twenty five thousand dollar (\$25,000) Stay On Incentive and agrees to enter into a reasonable repayment agreement with the Company in the event of such resignation, with repayment to be made within twelve (12) months of resignation.

(e) In addition, the Company shall grant to the Executive twenty-five thousand (25,000) Incentive Stock Options under the Company's 1992 Stock Incentive Plan, which are exercisable at the purchase price per share equal to the opening price of the Common Stock on the Agreement Date (the "Grant Date"). The options will vest pro-rata over a three (3) year period commencing on the first anniversary of the Grant Date, with one third of the total vesting and becoming exercisable on each of the first, second and third anniversaries of the Grant date, subject to the terms of the Stock Option Agreement, which the Executive must execute in connection with the grant of the options.

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 (\$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 Senior Vice President, Divisional Merchandise Manager & Visual Merchandising 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 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 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 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 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 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 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 10 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 10, 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 10 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 August 26, 2004. 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: /s/ David A. Levin
Name: David A. Levin
Its: President, Chief Executive Officer

Date: _____

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

Date: _____

/s/ Wayne P. Diller
Wayne P. Diller

Date: 6/29/2006

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of January 1, 2006 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company"), and Richard Della Bernarda (the "Executive") having an address at 44 Chandler Street, Apt. #4, Boston, MA 02116.

WITNESSETH:

WHEREAS, the Company desires that Executive serve as Senior Vice President, Marketing, 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 premises 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, Marketing.

2. TERM

The term of employment under this Agreement shall begin on January 1, 2006 (the "Employment Date") and shall continue for a period of one (1) year from that date (the "Term"), subject to prior termination in accordance with the terms hereof. The Company shall provide notification of renewal or non-renewal a minimum of ninety (90) days prior to the termination of the Agreement. If there is no notification, the Agreement will self-renew for a period of one (1) year.

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 installments in accordance with Company practice, an annual base salary of one hundred eighty one thousand two hundred twenty dollars (\$181,220.00), plus applicable salary increases or adjustments that may occur during the term of this agreement.

(b) In addition to the annual base salary, Executive is eligible to participate in the Company's annual bonus plan. Such Bonus shall be determined in accordance with the Company's bonus program in effect at the time, subject to change from year to year. Executive will participate in the Company's bonus program at a bonus incentive rate of 28% at target (42% max) (FY 2006) of Executive's actual annual base earnings.

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.

(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 (\$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. Salary adjustment will be made based upon Executive's job performance.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with his position as Senior Vice President, Marketing, and/or as the Chief Marketing 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 may engage in other activities so long as such activities do not unreasonably interfere with Executive's performance of his duties hereunder and do not violate Section 9 thereof.

(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 Marketing 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 by the Chief Marketing Officer that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) upon thirty (30) days' prior written notice to Executive; or

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

(b) Executive's employment shall terminate upon:

(i) the death of Executive; or

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

(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 Chief Marketing Officer of the Company, (after examination of Executive by an independent physician reasonably acceptable to Executive), 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 conviction (which, through lapse of time or otherwise, is not subject to appeal) of any crime or offense involving money or other property of the Company or its subsidiaries or

affiliates or which constitutes a felony in the jurisdiction involved; 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 unreasonably 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 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 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. 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") 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 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 under 7 above in accordance with the payment schedule in 3(a), until paid in full.

(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 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. Notwithstanding any inability to perform his duties, Executive shall be entitled to receive his base salary and reimbursement of expenses pursuant to Section 4 as provided herein until he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to Section 5 hereof. Any termination pursuant to this Subsection (f) shall be effective on the later 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 thereof.

(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.

(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 an amount equal to sixteen 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).

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 of this Agreement.

9. NON-COMPETITION

(a) Executive agrees that during his employment by the Company and during the one (1) 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, 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 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 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 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.

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 February 18, 2005.

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 4,7,9,10,11 and 12 thereof.

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: _____

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

Date: _____

/s/ Richard Della Bernarda
Richard Della Bernarda

Date: 12/28/05

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of August 22, 2007 between CASUAL MALE RETAIL GROUP, INC., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 (the "Company"), and Walter E. Sprague (the "Executive") having an address at 2 Olde Tower Lane, North Attleborough, MA 02760.

WITNESSETH:

WHEREAS, the Company desires that Executive serve as Senior Vice President, Human Resources, 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, Human Resources.

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 Thirty-Five Thousand Dollars and 00/100 Cents (\$235,000.00).

(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 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, Human Resources 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) 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 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: _____
Name: David A. Levin
Its: President, Chief Executive Officer

Date: _____

By: _____
Name: Dennis R. Henreich
Its: Executive VP, COO, CFO

Date: _____

Walter E. Sprague

Date: _____

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 24, 2007

/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 24, 2007

/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 4, 2007, 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 24, 2007

/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 4, 2007, 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 24, 2007

/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.