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 July 28, 2012

Commission File Number 01-34219

CASUAL MALE RETAIL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**04-2623104**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
555 Turnpike Street, Canton, MA	**02021**
(Address of principal executive offices)	**(Zip Code)**

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

The number of shares of common stock outstanding as of July 28, 2012 was 48,455,651.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	July 28, 2012 (unaudited)	January 28, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,770	$ 10,353
Accounts receivable	3,327	3,627
Inventories	103,608	104,167
Deferred income taxes	5,811	6,435
Prepaid expenses and other current assets	9,846	8,825
Total current assets	132,362	133,407
Property and equipment, net of accumulated depreciation and amortization	53,232	45,933
Other assets:		
Intangible assets	7,503	8,654
Deferred income taxes	41,107	43,935
Other assets	1,753	1,792
Total assets	$ 235,957	$ 233,721
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of deferred gain on sale-leaseback	$ 1,465	$ 1,465
Accounts payable	22,641	24,657
Accrued expenses and other current liabilities	29,917	28,784
Total current liabilities	54,023	54,906
Long-term liabilities:		
Deferred gain on sale-leaseback, net of current portion	18,318	19,051
Other long-term liabilities	5,031	5,406
Total liabilities	77,372	79,363
Stockholders' equity:		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued or outstanding at July 28, 2012 and January 28, 2012	—	—
Common stock, $0.01 par value, 100,000,000 shares authorized, 59,333,090 and 59,358,653 issued at July 28, 2012 and January 28, 2012, respectively	593	594
Additional paid-in capital	293,969	293,405
Accumulated deficit	(42,441)	(45,948)
Treasury stock at cost, 10,877,439 shares at July 28, 2012 and January 28, 2012	(87,977)	(87,977)
Accumulated other comprehensive loss	(5,559)	(5,716)
Total stockholders' equity	158,585	154,358
Total liabilities and stockholders' equity	$ 235,957	$ 233,721

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	
	July 28, 2012	July 30, 2011	July 28, 2012	July 30, 2011
Sales	$ 100,504	$ 100,445	$ 196,043	$ 195,802
Cost of goods sold, including occupancy	53,867	51,787	103,803	102,351
Gross profit	46,637	48,658	92,240	93,451
Expenses:				
Selling, general and administrative	37,626	37,652	75,385	74,210
Depreciation and amortization	3,744	3,008	7,434	6,060
Total expenses	41,370	40,660	82,819	80,270
Operating income	5,267	7,998	9,421	13,181
Interest expense, net	(122)	(127)	(287)	(248)
Income from continuing operations before provision for income taxes	5,145	7,871	9,134	12,933
Provision for income taxes	2,151	738	3,690	1,209
Income from continuing operations	2,994	7,133	5,444	11,724
Loss from discontinued operations, net of taxes	(1,756)	(575)	(1,937)	(958)
Net income	$ 1,238	$ 6,558	$ 3,507	$ 10,766
Net income (loss) per share – basic				
Income from continuing operations	$ 0.06	$ 0.15	$ 0.11	$ 0.25
Loss from discontinued operations	$ (0.03)	$ (0.01)	$ (0.04)	$ (0.02)
Net income per share – basic	$ 0.03	$ 0.14	$ 0.07	$ 0.23
Net income (loss) per share – diluted				
Income from continuing operations	$ 0.06	$ 0.15	$ 0.11	$ 0.24
Loss from discontinued operations	$ (0.03)	$ (0.01)	$ (0.04)	$ (0.02)
Net income per share – diluted	$ 0.03	$ 0.14	$ 0.07	$ 0.22
Weighted average number of common shares outstanding				
- basic	47,944	47,476	47,804	47,311
- diluted	48,282	48,149	48,242	48,097

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	
	July 28, 2012	July 30, 2011
Cash flows from operating activities:		
Net income	$ 3,507	$ 10,766
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,434	6,060
Amortization of deferred gain from sale-leaseback	(733)	(733)
Deferred income taxes, net of valuation allowance	3,452	384
Stock based compensation expense	543	790
Issuance of common stock to Board of Directors	21	17
Changes in operating assets and liabilities:		
Accounts receivable	165	66
Inventories	559	(2,153)
Prepaid expenses	(982)	74
Other assets	26	204
Accounts payable	(2,016)	5,756
Income taxes payable	—	152
Accrued expenses and other current liabilities	(1,154)	(3,175)
Net cash provided by operating activities	10,822	18,208
Cash flows from investing activities:		
Additions to property and equipment	(11,540)	(4,787)
Net proceeds from sale of subsidiary, LP Innovations, Inc.	135	142
Net cash used for investing activities	(11,405)	(4,645)
Cash flows from financing activities:		
Proceeds from the issuance of common stock under option program	—	597
Net cash provided by financing activities	—	597
Net change in cash and cash equivalents	(583)	14,160
Cash and cash equivalents:		
Beginning of the period	10,353	4,114
End of the period	$ 9,770	$ 18,274

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

CASUAL MALE RETAIL GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Six Months Ended	
	July 28, 2012	July 30, 2011
Net income	$ 3,507	$ 10,766
Other comprehensive income (loss), before taxes:		
Foreign currency translation	(35)	229
Amortization of unrecognized loss associated with pension plan, before taxes	313	189
Other comprehensive income (loss), before taxes	278	418
Tax provision related to items of other comprehensive income	(121)	—
Other comprehensive income (loss), net of tax	157	418
Comprehensive income	$ 3,664	$ 11,184

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 July 28, 2012
(In thousands)

	Common Stock		Additional Paid-in	Treasury Stock		Accumulated	Accumulated Other Comprehensive	
	Shares	Amounts	Capital	Shares	Amounts	Deficit	Income (Loss)	Total
Balance at January 28, 2012	59,359	$ 594	$293,405	(10,877)	$(87,977)	$ (45,948)	$ (5,716)	$154,358
Issuance of restricted stock, net of cancellations	(32)	(1)	0					(1)
Stock option compensation expense			543					543
Board of Directors compensation	6	—	21					21
Accumulated other comprehensive income (loss):								
Amortization of unrecognized loss associated with pension plan (net of taxes of $82)							231	231
Foreign currency (net of taxes $39)							(74)	(74)
Net income						3,507		3,507
Balance at July 28, 2012	59,333	$ 593	$293,969	(10,877)	$(87,977)	$ (42,441)	$ (5,559)	$158,585

The accompanying notes are an integral part of the 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 January 28, 2012 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 16, 2012.

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 2012 is a 53-week period ending on February 2, 2013. Fiscal 2011 was a 52-week period ending on January 28, 2012.

Reclassifications of Prior Periods for Discontinued Operations

Results for the second quarter and first six months of fiscal 2011 have been restated to reflect the operating results of the Company's European operations as discontinued operations. Results for the first six months of fiscal 2012 include the restatement of the Company's first quarter of fiscal 2012 to reflect discontinued operations. See Note 5, "Discontinued Operations."

Segment Information

Through the end of fiscal 2011, the Company managed its business as one reportable segment comprised of three operating segments – B&T Factory Direct™, Casual Male XL® and Rochester Clothing. However, with the continued expansion of the DestinationXL® ("DXL®") store format and the merger of all of the Company's websites into one consolidated site, www.destinationxl.com, which carries merchandise from all three of these business formats, the businesses are now managed using retail and direct, as opposed to the previous store formats.

Effective the first quarter of fiscal 2012, the Company reports its operations as one reportable segment, Big & Tall Men's Apparel, which consists of two principal operating segments: its retail business and its direct businesses. 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. The direct operating segment includes the operating results and assets for LivingXL® and ShoesXL®.

Fair Value of Financial Instruments

ASC Topic 825, *Financial Instruments*, requires disclosure of the fair value of certain financial instruments. The carrying amounts for the Company's long-term debt approximate fair value as the interest rates and terms are substantially similar to those that could be obtained currently for similar instruments. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and short-term borrowings approximate fair value because of the short maturity of these instruments.

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements.

Other Intangibles

At July 28, 2012, the "Casual Male" trademark has a carrying value of $5.2 million and is considered a definite-lived asset. The Company is amortizing this trademark, on an accelerated basis consistent with projected cash flows, over an estimated remaining useful life of seven years through fiscal 2018.

The Company's "Rochester" trademark is considered an indefinite-lived intangible asset and has a carrying value of $1.5 million. During the first six months of fiscal 2012, no event or circumstance occurred which would cause a reduction in the fair value of the Company's reporting units, requiring interim testing of the Company's "Rochester" trademark.

Stock-based Compensation

All share-based payments, including grants of employee stock options and restricted stock, are 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"). 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 an 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 2012 and fiscal 2011, the Company recognized total stock-based compensation expense of $0.5 million and $0.8 million, respectively.

The total compensation cost related to non-vested awards not yet recognized as of July 28, 2012 is approximately $0.7 million which will be expensed over a weighted average remaining life of 26 months.

Valuation Assumptions for Stock Options and Restricted Stock

During the first six months of fiscal 2012, the Company granted stock options to purchase 51,286 shares of common stock. There were no grants of restricted stock during the first six months of fiscal 2012.

During the first six months of fiscal 2011, the Company granted 569,661 shares of restricted stock of which 538,661 shares were granted to members of management as a result of the Company achieving certain performance targets pursuant to its LTIP for fiscal 2010. In addition, the Company granted stock options to purchase 79,902 shares of common stock, of which 72,576 stock options were granted as part of the LTIP for fiscal 2010.

Each restricted share of common stock was assigned a fair value equal to the closing price of the Company's common stock on the date of grant. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model. The weighted average grant date fair value of stock options granted during the first six months of fiscal 2012 was $1.39 per share.

The following assumptions were used for grants for the first six months of fiscal 2012 and fiscal 2011:

	July 28, 2012	July 30, 2011
Expected volatility	55.0%	55.0%
Risk-free interest rate	0.31—0.67%	0.60—1.89%
Expected life	3.0—4.5 yrs	2.5—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.

There were no stock options exercised during the first six months of fiscal 2012.

Recently Issued Accounting Pronouncements

The Company has reviewed accounting pronouncements and interpretations thereof that have effective dates during the periods reported and in future periods. The Company believes that the following impending standards may have an impact on its future filings. The applicability of any standard will be evaluated by the Company and is still subject to review by the Company.

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles—Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment* ("ASU 2012-02"). ASU 2012-02 is intended to reduce the cost and complexity of the annual indefinite-lived intangible assets impairment testing by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. As such, there is the possibility that quantitative assessments would not need to be performed if it is more likely than not that no impairment exists. This new update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company will adopt ASU 2012-02 as of December 29, 2012 for its annual impairment testing. The Company does not expect it to significantly affect its testing.

2. Debt

Credit Agreement with Bank of America Retail Group, Inc.

The Company has a credit facility with Bank of America, N.A., most recently amended on November 10, 2010 (the "Credit Facility").

The Credit Facility provides for a maximum committed borrowing of $75 million, which, pursuant to an accordion feature, may be increased to $125 million upon the request of the Company and the agreement of the lender(s) participating in the increase. The Credit Facility includes a sublimit of $20 million for commercial and standby letters of credit and a sublimit of up to $15 million for Swingline Loans. The maturity date of the Credit Facility is November 10, 2014.

Borrowings made pursuant to the Credit Facility will bear interest at a rate equal to the base rate (determined as the highest of (a) Bank of America N.A.'s prime rate, (b) the Federal Funds rate plus 0.50% and (c) the one month LIBOR rate) plus a varying percentage, based on the Company's borrowing base, of 1.00-1.25% for prime-based borrowings and 2.00-2.25% for LIBOR-based borrowings. The Company is also subject to an unused line fee. At July 28, 2012, the Company's prime-based interest rate was 4.25%.

The Company's obligations under the Credit Facility are secured by a lien on all of its assets. The Company is not subject to any financial covenants pursuant to the Credit Facility.

At July 28, 2012, the Company had no borrowings outstanding under the Credit Facility. Outstanding standby letters of credit were $2.3 million and documentary letters of credit were $3.2 million. Unused excess availability at July 28, 2012 was $69.5 million. Average borrowings outstanding under this facility during the first six months of fiscal 2012 were less than $160,000, resulting in an average unused excess availability of approximately $69.5 million. The Company's ability to borrow under the Credit Facility is determined using an availability formula based on eligible assets, with increased advance rates based on seasonality.

The fair value of the amount outstanding under the Credit Facility at July 28, 2012 approximated the carrying value.

3. Equity

Earnings per Share

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

(in thousands)	For the three months ended July 28, 2012	July 30, 2011	For the six months ended July 28, 2012	July 30, 2011
Common Stock Outstanding				
Basic weighted average common shares outstanding	47,944	47,476	47,804	47,311
Common Stock Equivalents –Stock options and restricted stock	338	673	438	786
Diluted weighted average common shares Outstanding	48,282	48,149	48,242	48,097

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 was greater than the average market price per share of common stock for the respective periods.

(in thousands, except exercise prices)	For the three months ended July 28, 2012	July 30, 2011	For the six months ended July 28, 2012	July 30, 2011
Options	1,702	2,616	1,702	2,528
Range of exercise prices of such options	$3.76 - $10.26	$4.19 - $10.26	$3.76 - $10.26	$4.30 - $10.26

The above options, which were outstanding at July 28, 2012, expire from August 8, 2012 to October 31, 2021.

4. Income Taxes

At July 28, 2012, the Company had total deferred tax assets of approximately $50.4 million, with a corresponding valuation allowance of $3.5 million. The deferred tax assets include approximately $22.3 million of net operating loss carryforwards and approximately $7.8 million of deferred gain on sale-leaseback and, to a lesser extent, other book/tax timing differences. As of July 28, 2012, the Company had gross net operating loss carryforwards of $61.8 million for federal income tax purposes and $32.0 million for state income tax purposes that are available to offset future taxable income through fiscal year 2031. Included in the net operating loss carryforwards for both federal and state income tax is approximately $10.8 million relating to stock compensation deductions, the tax benefit from which, if realized, will be credited to additional paid-in capital.

For the first six months of fiscal 2011, the Company's effective tax rate was reduced from the statutory rate due to the utilization of the Company's fully reserved net operating loss carryforwards. Then in the fourth quarter of fiscal 2011, 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 in the United States. Accordingly, in the fourth quarter of fiscal 2011, the Company recognized an income tax benefit of $47.8 million related to the reversal of substantially all of the deferred tax valuation allowance. As a result of the valuation allowance being reversed, the Company has returned to a normal tax provision. For the first six months of fiscal 2012, the Company's effective tax rate on income from continuing operations was 40.4% compared to 9.4% for the first six months of fiscal 2011.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. The charge is calculated using tax rates that have been enacted or substantively enacted by

the balance sheet date. Pursuant to Topic 740, *Income Taxes*, 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 July 28, 2012, the Company had no material unrecognized tax benefits.

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

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits in its income tax provision. The Company has not accrued or paid interest or penalties which were material to its results of operations for the first six months of fiscal 2012.

5. Discontinued Operations

During the second quarter of fiscal 2012, the Company exited its European Direct business and provided formal termination notice to its vendor, who had provided all web store design, order processing, fulfillment and customer call center services for the Company's European web stores. Included in the loss from discontinued operations for the second quarter and first six months of fiscal 2012 is an early termination fee and settlement of $1.1 million that was paid to Company's vendor for early termination. The Company's European Direct business has been unprofitable since inception, with net losses of $2.1 million, $2.0 million, and $1.5 million on net sales of $1.8 million, $1.6 million and $1.2 million in the years ended January 28, 2012, January 29, 2011 and January 30, 2010, respectively.

The results of the European Direct business have been reclassified to reflect the operating results as discontinued operations for all periods presented. The following table summarizes the results from discontinued operations from the Company's European Direct business for the periods presented.

	For the three months ended		For the six months ended	
(in thousands)	July 28, 2012	July 30, 2011	July 28, 2012	July 30, 2011
Sales	$ 439	$ 499	$ 813	$ 940
Gross margin	(218)	133	(84)	306
Selling, general and administrative expenses	(1,534)	(704)	(1,845)	(1,256)
Depreciation and amortization	(4)	(4)	(8)	(8)
Benefit from income taxes	—	—	—	—
Loss from discontinued operations, net of taxes	$ (1,756)	$ (575)	$ (1,937)	$ (958)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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 fiscal year ended January 28, 2012, filed with the Securities and Exchange Commission on March 16, 2012, and Part II, Item 1A of this Quarterly Report which identify 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 is the largest specialty retailer of big & tall men's apparel with retail operations in the United States and London, England and direct businesses throughout the United States, Canada and Europe. We operate under the trade names of DestinationXL®, Casual Male XL®, Casual Male XL Outlets, Rochester Clothing, B&T Factory Direct™, ShoesXL® and LivingXL®. At July 28, 2012, we operated 339 Casual Male XL retail stores, 60 Casual Male XL outlet stores, 29 DestinationXL ("DXL®") stores and 13 Rochester Clothing stores. Our direct business includes several catalogs and e-commerce sites which support our brands and product extensions.

Unless the context indicates otherwise, all references to "we," "our," "ours," "us" and "the Company" refer to Casual Male Retail Group, Inc. and our consolidated subsidiaries. We refer to our fiscal years which end on February 2, 2013 and January 28, 2012 as "fiscal 2012" and "fiscal 2011," respectively. Fiscal 2012 is a 53-week period and Fiscal 2011 was a 52-week period,

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

SEGMENT REPORTING

Through the end of fiscal 2011, we managed our business using three operating segments – B&T Factory Direct, Casual Male XL and Rochester Clothing. However, with the continued expansion of the DXL store format and our new website, www.destinationxl.com, which we launched in fiscal 2011 and which has merchandise from all three of these business formats, the business is managed using retail and direct, as opposed to the previous store formats.

Effective the first quarter of fiscal 2012, we report our operations as one reportable segment, Big & Tall Men's Apparel, which consists of our two principal operating segments: retail and direct. We consider our operating segments to be similar in terms of economic characteristic, production processes and operations, and have therefore aggregated them into a single reporting segment.

RESULTS OF OPERATIONS

Financial Summary

For the second quarter of fiscal 2012, income from continuing operations was $3.0 million, or $0.06 per diluted share, as compared to $7.1 million, or $0.15 per diluted share, in the second quarter of fiscal 2011. For the first six months of fiscal 2011 our effective tax rate was 9.3%. Following the reversal of our tax valuation allowance in the fourth quarter of fiscal 2011, our tax rate for the first six months of fiscal 2012 returned to normal tax rate of 40.4%. Assuming a normal tax rate of approximately 40%, adjusted income from continuing operations would have been $0.10 per dilutive share for the second quarter of fiscal 2011. For the first six months of fiscal 2012, income from continuing operations was $5.4 million, or $0.11 per diluted share, as compared to $11.7 million, or $0.24 per diluted share, for the first six months of fiscal 2011. Adjusted income from continuing operations, assuming a normal tax rate, was $0.16 per dilutive share for the first six months of fiscal 2011. Adjusted income from continuing operations is a Non-GAAP measure. See "Presentation of Non-GAAP Measures" below for a reconciliation of this non-GAAP measure.

	For the three months ended:			For the six months ended:		
	July 28, 2012 (GAAP)	July 30, 2011 (GAAP)	July 30, 2011 (Non-GAAP)[1]	July 28, 2012 (GAAP)	July 30, 2011 (GAAP)	July 30, 2011 (Non-GAAP)[1]
Diluted EPS for income from continuing operations	$ 0.06	$ 0.15	$ 0.10	$ 0.11	$ 0.24	$ 0.16
Loss from discontinued operations [2]	(0.03)	(0.01)	(0.01)	(0.04)	(0.02)	(0.02)
Net income	$ 0.03	$ 0.14	$ 0.09	$ 0.07	$ 0.22	$ 0.14

(1) Diluted EPS for income from continuing operations have been adjusted to assume a normal tax rate for comparative purposes. See "Presentation of Non-GAAP Measures" below for a reconciliation of this non-GAAP measure.

(2) Results for the second quarter and first six months of fiscal 2011 have been restated for discontinued operations in connection with the closure of our European web stores during the second quarter of fiscal 2012.

For the second quarter of fiscal 2012, we experienced a decrease in income from continuing operations, on a comparable tax basis, of $0.04 per diluted share. The primary reasons for this decrease was an increase of approximately $0.9 million in pre-opening occupancy costs associated with our DXL store openings, increased promotional markdowns incurred in the second quarter of fiscal 2012 and approximately $3.0 million in selling, general and administrative ("SG&A") expenses related to our DXL store growth. In addition, as a result of the "Casual Male" trademark becoming a definite-lived asset, our amortization increased $0.5 million for the second quarter of fiscal 2012.

During the second quarter of fiscal 2012, we discontinued our European Direct business. Included in the loss from discontinued operations for the second quarter and first six months of fiscal 2012 is a $1.1 million early termination fee that we incurred in connection with closing those web stores. The operating results of the European web stores for fiscal 2011 have been reclassified to discontinued operations.

Net income for the second quarter of fiscal 2012 was $1.2 million, or $0.03 per diluted share, as compared to $6.6 million, or $0.14 per diluted share, for the second quarter of fiscal 2011. For comparative purposes, assuming a normal tax rate, adjusted net income for the second quarter of fiscal 2011 was $0.09 per diluted share. For the first six months of fiscal 2012, net income was $3.5 million, or $0.07 per diluted share, as compared to $10.8 million, or $0.22 per diluted share, for the first six months of fiscal 2011. Assuming a normal tax rate for the first six months of fiscal 2011, adjusted net income was $0.14 per diluted share. Adjusted net income is a Non-GAAP measure. See "Presentation on Non-GAAP Measures" below for a reconciliation of this non-GAAP measure.

From a liquidity perspective, at July 28, 2012, we have $9.8 million in cash and cash equivalents, no outstanding debt and full availability under our credit facility.

DestinationXL

During the first six months of fiscal 2012, we have opened 13 DXL® stores, for a total of 29 DXL stores. Of these stores, 25 stores are considered "comparable stores" and had a combined comparable sales increase of 17.1% for the second quarter of fiscal 2012 and 16.8% for the first six months of fiscal 2012 when compared to the second quarter and first six months of fiscal 2011, respectively. For some of these stores that have not reached their one year anniversary, sales are compared to the respective predecessor sales in each market.

For fiscal 2012, we are planning to open a total of 35 DXL stores resulting in approximately 51 DXL stores operating at the end of the year, with at least one store located in most major metropolitan cities across the United States. Our DXL stores offer more than 2,000 styles (versus 600 in our traditional stores), more private label brands and more name brands. The DXL format offers a much greater selection of higher ticket price clothing than ever before, along with our "made-to-measure" custom tailoring service that provides an even broader variety of options. As we continue to open DXL stores, which offer our customer a far superior shopping experience compared to our existing Casual Male stores, our Casual Male stores that are in proximity to an existing DXL store are experiencing increasing negative sales trends when compared to the remainder of the chain of Casual Male stores. Based on the strong performance of our DXL stores and their potential impact to the remainder of the chain and the negative sales trends of Casual Male stores in proximity to DXL stores, we will be accelerating our DXL rollout to take advantage of the significant benefits that the transition to DXL offers. Average dollars per transaction at our DXL stores are currently 41% higher than the average Casual Male XL purchase. Originally, we had expected that the rollout would occur over a 5-year period, as existing store leases expired. However, given the opportunity for greater growth among our DXL stores, we will be accelerating our rollout over the next three years. We expect to open 50-60 DXL stores across the country over each of the next three years with approximately 225 to 250 DXL stores open by the end of fiscal 2015. By the end of fiscal 2012, the DXL stores are expected to be generating approximately 25% of our store sales, and almost 50% by the end of fiscal 2013, on an annualized basis in our retail channel.

In the third quarter of fiscal 2011, we launched our DestinationXL website. Similar to our DXL stores, we see significant opportunities in the growth of our direct business by combining all of our existing e-commerce sites into one enhanced website, with state-of-the-art features and best practices. We recognize the importance of "name recognition" in growing an effective DXL business, both in retail stores and direct.

As a result of our strategic decision to accelerate our DXL store rollout, we expect to incur incremental costs of approximately $15.0 to $20.0 million over the next three years, primarily associated with lease terminations and asset impairments as a result of early store closures, as well as additional SG&A expenses of approximately $2.5 to $3.0 million per year to support the accelerated rollout. The rollout is expected to be substantially completed by the end of fiscal 2015. Our projections, which are based on current economic conditions, suggest that this investment will significantly enhance revenues and produce double digit operating margins for the longer term. Our financial modeling, based upon the performance of the DXL stores to date, indicates that at the end of the three-year accelerated investment period in the DXL concept, the Company's sales in fiscal 2016 should exceed $600 million with operating margins in excess of 10%. The capital expenditures and incremental SG&A and other charges of approximately $150 million over the next three years, associated with the accelerated rollout, are expected to be fully funded from operating cash flows.

In order to achieve our objectives, we will be also taking a more aggressive approach with respect to marketing. In the first quarter of fiscal 2012, we retained a professional advertising agency to develop a DestinationXL brand strategy and a campaign for a more effective and comprehensive approach to expanding our market share. We expect to accomplish this objective by creating more awareness of the DXL brand through the development of effective outreach programs and targeted marketing initiatives using local media as well as digital marketing. In fall 2012, we will test our new marketing campaign in select markets, and if successful, to be followed by a nationwide rollout in the spring 2013. For fiscal 2013, we have increased our marketing budget to 6% of sales, up from our previous plan of 5%.

Fiscal 2012 Outlook

As a result of the sales erosion that we are experiencing in our Casual Male XL stores because of our new DXL stores, we are adjusting our earnings guidance slightly for fiscal 2012. For fiscal 2012, our revised earnings guidance is based on:

- Sales in the range of $405.5 to $410.0 million (down from our original guidance of $416.5 to $423.9 million), which is based on a comparable sales increase of 3.0% to 4.0% (down from our original guidance of 4.7% to 6.6%).
- Improvement in gross margin rate from continuing operations of flat to 75 basis points from fiscal 2011 (down from our original estimate of 60 to 100 basis points). This increase is based on merchandise margins improving by approximately 40 to 100 basis points (down from our original estimate of 50 to 110 basis points), but offset by a 25 to 40 basis point increase in occupancy costs (a change from the original estimate of ±10 basis points).
- SG&A costs from continuing operations are planned to increase $2.2 million to $5.2 million to a range of $155.0 to $158.0 million, primarily due to the additional store payroll and advertising costs associated with our planned DXL store openings and expected bonus accruals (a change from our original guidance of $6.0 to $7.4 million). Included in this increase is approximately $2.5 million for the additional 53rd week in fiscal 2012. As a percentage of sales, SG&A expenses are expected to improve over last year by 10 to 40 basis points to between 38.0% and 38.3%.
- We expect that our revised earnings from continued operations for fiscal 2012 will be between $0.22 -$0.25 per diluted share (as compared to our original guidance of $0.22-$0.27 per diluted share). As mentioned above, for the past two fiscal years, our deferred tax assets have been fully reserved, which has resulted in a minimal tax provision of approximately 10%. In the fourth quarter of fiscal 2011, we reversed substantially all of our tax valuation allowance. As a result, we have returned to a normal tax provision for fiscal 2012.

For fiscal 2011, our earnings were $0.89 per diluted share. However, on a non-GAAP basis, before our discontinued operations, trademark impairment, valuation allowance and an adjustment for a normal tax rate of approximately 40.0%, adjusted income from continuing operations, on a diluted basis, was $0.22 per diluted share for fiscal 2011, compared to our revised forecasted earnings of $0.22-$0.25 per diluted share for fiscal 2012. See “Presentation of Non-GAAP Measures” for a reconciliation of this non-GAAP measure.

From a liquidity perspective, we expect cash flow from operating activities of $40.0 million (down from our original guidance of $45.0 million), resulting in free cash flow (as defined below under “Presentation of Non-GAAP Measures”) of approximately $5.0 million (down from our original guidance of $10.0 million). We expect our cash balances to increase to approximately $15.0 million by the end of fiscal 2012 (down from our original guidance of $20.0 million). Our capital expenditures for fiscal 2012 are expected to be approximately $35.0 million. These expenditures will be spent primarily on our planned opening of 35 DXL stores. As we open new DXL stores, we will be closing existing stores in each respective market area. For fiscal 2012, we currently expect to close 70 existing Casual Male stores.

Presentation of Non-GAAP Measures

The presentation of non-GAAP “Adjusted Income from Continuing Operations,” Adjusted Net Income,” “Adjusted Earnings Per Diluted Share from Continuing Operations” and “Adjusted Earnings Per Diluted Share” are not measures determined by generally accepted accounting principles (“GAAP”) and should not be considered superior to or as a substitute for income from continuing operations, net income or earnings per diluted share in accordance with GAAP. We believe that these non-GAAP measures are useful as additional means for investors to evaluate our operating results, when reviewed in conjunction with our GAAP financial statements. We believe the inclusion of these non-GAAP measures enhances an investor’s understanding of the comparability between different periods in different years. The following table reconciles income from continuing operations, net income and earning per diluted share, on a GAAP basis, for the second quarter and first six months of fiscal 2011 to adjusted income from continuing operations, adjusted net income and adjusted earnings per diluted share, on a non-GAAP basis:

Reconciliation of income from continuing operations, GAAP to Non-GAAP

(in thousands, except per share data)	For the three months ended July 28, 2012	For the three months ended July 30, 2011	For the six months ended July 28, 2012	For the six months ended July 30, 2011
Income from continuing operations, on a GAAP basis	**$ 2,994**	**$ 7,133**	**$ 5,444**	**$ 11,724**
Add back: actual tax provision recorded		738		1,209
Deduct: estimated income tax provision, assuming an effective tax rate of 40%		(3,148)		(5,173)
Adjusted Income from continuing operations, on a Non-GAAP basis for fiscal 2011	**$ 2,994**	**$ 4,723**	**$ 5,444**	**$ 7,760**
Earnings per diluted share from continuing operations, GAAP basis	$ 0.06	$ 0.15	$ 0.11	$ 0.24
Adjusted earnings per diluted share from continuing operations, on a non-GAAP basis	**$ 0.06**	**$ 0.10**	**$ 0.11**	**$ 0.16**

Reconciliation net income GAAP to Non-GAAP

	For the three months ended July 28, 2012	For the three months ended July 30, 2011	For the six months ended July 28, 2012	For the six months ended July 30, 2011
Net income, on a GAAP basis	$ 1,238	$ 6,558	$ 3,507	$ 10,766
Add back: actual tax provision recorded	—	738	—	1,209
Deduct: estimated income tax provision, assuming an effective rate of 40%	—	(3,148)	—	(5,173)
Adjusted net income, on a Non-GAAP basis for 2011	**$ 1,238**	**$ 4,148**	**$ 3,507**	**$ 6,802**
Earnings per diluted share, GAAP basis	$ 0.03	$ 0.14	$ 0.07	$ 0.22
Adjusted earnings per diluted share, non-GAAP basis	**$ 0.03**	**$ 0.09**	**$ 0.07**	**$ 0.14**
Weighted average number of common shares outstanding on a diluted basis	48,282	48,149	48,242	48,097

The presentation of non-GAAP free cash flow is not a measure determined by GAAP and should not be considered superior to or as a substitute for net income or cash flows from operating activities or any other measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, “free cash flows” presented in this report may not be comparable to similar measures used by other companies. We calculate free cash flows as cash flow from operating activities, less capital expenditures and discretionary store asset acquisitions. We believe that inclusion of this non-GAAP measure helps investors gain a better understanding of our cash flow performance, especially when comparing such results to previous periods. The following table reconciles our non-GAAP free cash flow measure:

(in millions)	For the six months ended: July 28, 2012	For the six months ended: July 30, 2011	Projected Cash Flow Fiscal 2012
Cash flow from operating activities	$ 10.8	$ 18.2	$ 40.0
Less: Capital expenditures	(11.5)	(4.8)	(35.0)
Less: Discretionary store asset Acquisitions, if applicable	—	—	—
Free Cash Flow	$ (0.7)	$ 13.4	$ 5.0

In the above discussion under “Fiscal 2012 Outlook”, we present “Adjusted Income from Continuing Operations, per diluted share” for fiscal 2011 of $0.22 per diluted share. This is not a measure determined by GAAP and should not be considered superior to or as a substitute for net income or earnings per diluted share in accordance with GAAP. We believe that this non-GAAP measure is useful as an additional means for investors to evaluate our operating results, when reviewed in conjunction with our GAAP financial statements. We believe that the inclusion of this non-GAAP measure enhances an investor’s understanding of the comparability between different periods in different years. The following table is a reconciliation of earnings per diluted share on a GAAP-basis to adjusted income from continuing operations, per diluted share, on a non-GAAP basis for fiscal 2011:

	Earnings per share, on a diluted basis (Fiscal 2011)	
Earnings per diluted share, GAAP basis for fiscal 2011	$	0.89
Add:		
Loss from discontinued operations	$	0.04
Provision for trademark impairment	$	0.29
($23.1 million less $9.1 million deferred tax benefit)		
Deduct:		
Non-recurring reversal of valuation allowance	($	0.88)
($42.5 million)		
Incremental Income tax provision on continuing operations, assuming effective tax rate of approximately 40.0% instead of actual 8.4% effective tax rate	($	0.12)
Adjusted income from continuing operations, per diluted share, non-GAAP	$	0.22

Sales

For the second quarter of fiscal 2012, total sales of $100.5 million were flat with the second quarter of fiscal 2011. Comparable sales for the second quarter increased 2.0% when compared to the same period of the prior year. On a comparable basis, sales from our retail business increased 1.6% while our U.S. direct business increased 3.4%. The increase in the retail business of 1.6% was primarily driven by our DXL stores which had a 17.1% comparable store increase over the prior year.

Overall, sales for the second quarter of fiscal 2012 continued to be sluggish, primarily driven by a decrease in transactions and some erosion in our customer base. In addition, our Casual Male XL stores, which are in close proximity to an existing DXL store location, experienced negative comparable sales for the second quarter of approximately 2.4% as compared to the remainder of our Casual Male XL stores, which experienced positive comparable sales of approximately 2.0%. The sales erosion of Casual Male XL stores is expected to continue as the store growth in DXL stores increases. As we discussed above, we believe that our accelerated DXL rollout plan, together with our DXL marketing campaign, will benefit our top line growth.

For the first six months of fiscal 2012, total sales were $196.0 million as compared to $195.8 million for the first six months of fiscal 2011. Comparable sales for the first six months increased 2.0% when compared to the same period of the prior year. On a comparable basis, sales from our retail business increased 2.7% while our U.S. direct business decreased 0.3%. Sales from our direct business were negatively impacted during the first quarter of fiscal 2012 by the poor performance of our new format catalog in March 2012 contributing to an approximate $1.5 million loss of sales, or approximately 9% in direct sales for the first quarter of fiscal 2012. The catalog was the first of its kind and was intended to replace our legacy catalogs. We plan to re-launch a redesigned DXL catalog in early fall. Over the long term, we expect to eliminate our legacy brand catalogs gradually, and move much of our direct channel marketing efforts to digital and use our DXL catalog only for our most ardent direct channel shoppers.

Gross Profit Margin

For the second quarter of fiscal 2012, our gross margin rate, inclusive of occupancy costs, was 46.4% as compared to a gross margin rate of 48.4% for the second quarter of fiscal 2011. The decrease of 200 basis points for the second quarter of fiscal 2012 was the result of a decrease of 120 basis points in merchandise margins plus an increase of 80 basis points in occupancy costs. Our merchandise margin was negatively impacted during the second quarter of fiscal 2012 by an increase in promotional activities incurred in connection with a May promotional event. On a dollar basis, occupancy costs for the second quarter of fiscal 2012 increased 5.3% over the prior year. This increase is largely due to the timing of our 13 DXL store openings and the associated pre-opening occupancy costs incurred.

For the first six months of fiscal 2012, our gross margin rate, inclusive of occupancy costs, was 47.1% as compared to a gross margin rate of 47.7% for the first six months of fiscal 2011. The decrease of 60 basis points for the first six months of fiscal 2012 was the result of a decrease of 20 basis points in merchandise margins plus an increase of 40 basis points in occupancy costs, as a result of higher occupancy costs related to the timing of the DXL store openings.

For fiscal 2012, we are expecting improvement of 40 to 100 basis points in merchandise margins, but that occupancy costs will increase by 25 to 40 basis points, resulting in a gross margin rate from continuing operations for fiscal 2012 that is flat to 75 basis points better than fiscal 2011.

Selling, General and Administrative Expenses

SG&A expenses for the second quarter of fiscal 2012 were 37.4% of sales as compared to 37.5% of sales for the second quarter of fiscal 2011. On a dollar basis, SG&A expenses of $37.6 million for the second quarter of fiscal 2012 were flat to the prior year's second quarter.

For the first six months of fiscal 2012, SG&A expenses were 38.5% of sales as compared to 37.9% for the first six months of fiscal 2011. On a dollar basis, SG&A expenses increased $1.2 million, or 1.6%, for the first six months of fiscal 2012 as compared to the first six months of fiscal 2011.

Included in SG&A costs for the first six months of fiscal 2012 is approximately $3.0 million of additional costs associated with our DXL growth initiative. With the planned opening of 35 stores in fiscal 2012, 13 of which are already open, we have incurred an incremental $3.0 million in SG&A costs associated with additional pre-opening payroll, training, store operations and increased marketing. These increases were offset by other cost savings including the reduction in bonus accrual for the first six months of fiscal 2012 as compared to fiscal 2011.

While we are expecting our SG&A expenses from continuing operations for fiscal 2012 to increase by $2.2 to $5.2 million from fiscal 2011, SG&A expenses as a percentage of sales are expected to improve by 10 to 40 basis points. The increase in dollars is primarily related to the 53rd week in fiscal 2012. On a comparable 52-week period, SG&A expenses are expected to be flat to $2.7 million higher due to increased store payroll to support our planned opening of 35 new DXL stores, incremental marketing costs associated with those new stores as well as an accrual for bonuses, which were not achieved in fiscal 2011. Overall, we expect to limit our SG&A growth rates, except where necessary to support our growth activities or where there are unanticipated costs that are necessary to support our overall activities.

Depreciation and Amortization

Depreciation and amortization for the second quarter of fiscal 2012 was $3.7 million as compared to $3.0 million for the second quarter of fiscal 2011. For the first six months of fiscal 2012, depreciation and amortization expense was $7.4 million as compared to $6.0 million for the first six months of fiscal 2011. The primary reason for the increase of $0.7 million and $1.4 million for the second quarter and first six months of fiscal 2012, respectively, was due to the amortization of approximately $0.5 million and $1.0 million for the second quarter and first six months of fiscal 2012, respectively, associated with our "Casual Male" trademark. In the fourth quarter of fiscal 2011, our "Casual Male" trademark, with a then-carrying value of $6.1 million, was changed to a definite-lived asset which is being amortized on an accelerated basis over an estimated remaining useful life of seven years.

Interest Expense, Net

Net interest expense of $0.1 million for the second quarter of fiscal 2012 was flat with the second quarter of fiscal 2011. For the first six months of fiscal 2012, interest expense was $0.3 million as compared to $0.2 million for the first six months of fiscal 2011. The interest expense for both periods primarily relates to the unused line fee on our credit facility as a result of having minimal borrowings during each quarter and first six months.

Income Taxes

At July 28, 2012, our total deferred tax assets were approximately $50.4 million, with a corresponding valuation allowance of $3.5 million. The deferred tax assets include approximately $22.3 million of net operating loss carryforwards and approximately $7.8 million of deferred gain on our sale-leaseback and, to a lesser extent, other book/tax timing differences.

For the second quarter and first six months of fiscal 2011, our effective tax rate was reduced from the statutory rate due to the utilization of our fully reserved net operating loss carryforwards. Then in the fourth quarter of fiscal 2011, we determined that it was more likely than not that we would be able to realize the benefits of substantially all of our deferred tax assets. Accordingly, in the fourth quarter of fiscal 2011, we recognized an income tax benefit of $47.8 million related to the reversal of substantially all of the deferred tax valuation allowance. As a result of the valuation allowance being reversed, we have returned to a normal tax provision. For the first six months of fiscal 2012, our effective tax rate on income from continuing operations was 40.4% compared to 9.4% for the first six months of fiscal 2011.

Discontinued Operations

In the second quarter of fiscal 2012, we closed our European Direct business. The operating results for the European Direct business have been reclassified to discontinued operations for all periods. Included in the results for the second quarter and first six months of fiscal 2012 is an early termination fee of $1.1 million which was paid to our vendor, who provided the web store design, order processing, fulfillment and customer call center services for our European web stores.

Net Income

For the second quarter of fiscal 2012, net income was $1.2 million, or $0.03 per diluted share, compared to net income of $6.6 million, or $0.14 per diluted share, for the second quarter of fiscal 2011. Assuming a normal tax rate of 40.0% for fiscal 2011, adjusted net income for the second quarter of fiscal 2011 was $0.09 per diluted share.

For the first six months of fiscal 2012, net income was $3.5 million, or $0.07 per diluted share, compared to net income of $10.8 million, or $0.22 per diluted share, for the first six months of fiscal 2011. Assuming a normal tax rate of 40.0% for fiscal 2011, adjusted net income for the first six months of fiscal 2011 was $0.14 per diluted share.

The decrease of $0.07 per diluted share in earnings for the first six months of fiscal 2012, on a comparative tax basis, with fiscal 2011 is due to an increase in the loss from discontinued operations of $0.02 per diluted share and a decrease in income from continuing operations of approximately $0.05 per diluted share as a result of an increased occupancy and SG&A costs of approximately $3.9 million associated with our DXL rollout.

Inventory

At July 28, 2012, total inventory was $103.6 million compared to $104.2 million at January 28, 2012 and $95.0 million at July 30, 2011.

While inventory dollars increased 9.1% from July 30, 2011 as a result of cost increases and shifting product mix, units decreased by 4%. Unit inventories in branded product have increased by approximately 35% over the prior year to support the DXL store product assortments.

SEASONALITY

Historically, and consistent with the retail industry, we have experienced seasonal fluctuations as it relates to our operating income and net income. Traditionally, a significant portion of our operating income and net income is generated in the fourth quarter, as a result of the “Holiday” season.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash generated from operations and availability under our credit facility, as amended, with Bank of America, N.A (“Credit Facility”). Our current cash needs are primarily for working capital (essentially inventory requirements), capital expenditures and growth initiatives. As discussed below, our capital expenditures for fiscal 2012 are expected to be $35.0 million, primarily related to the planned opening of 35 new DestinationXL stores and information technology projects.

We currently believe that our existing cash generated by operations together with our availability under our credit facility will be sufficient within current forecasts for us to meet our foreseeable liquidity requirements. For the first six months of fiscal 2012, free cash flow, which we define as cash flow from operating activities, less capital expenditures and discretionary store asset acquisitions, if any, decreased by $14.1 million to $(0.7) million from $13.4 million for the first six months of fiscal 2011. This decrease in free cash flow was principally due to the increase in capital expenditures of $6.7 million related to the new store openings, $3.9 million of occupancy and SG&A expenses related to our DXL growth initiatives and a prepayment penalty included in our discontinued operations of approximately $1.1 million. See "Presentation of Non-GAAP Measure" above regarding non-GAAP free cash flow.

The Credit Facility provides for a maximum committed borrowing of $75 million, which, pursuant to an accordion feature, may be increased to $125 million upon our request and the agreement of the lender(s) participating in the increase. The Credit Facility includes a sublimit of $20 million for commercial and standby letters of credit and a sublimit of up to $15 million for Swingline Loans. The maturity date of the Credit Facility is November 10, 2014. Our Credit Facility is described in more detail in Note 2 to the Notes to the Consolidated Financial Statements.

We had no borrowings outstanding under the Credit Facility at July 28, 2012. Outstanding standby letters of credit were $2.3 million and outstanding documentary letters of credit were $3.2 million. The average monthly borrowing outstanding under this facility during the first six months of fiscal 2012 was less than $160,000, resulting in an average unused excess availability of approximately $69.5 million. Unused excess availability at July 28, 2012 was $69.5 million. Our obligations under the Credit Facility are secured by a lien on all of our assets. The facility contains no financial covenants.

Capital Expenditures

The following table sets forth the open stores and related square footage at July 28, 2012 and July 30, 2011, respectively:

	At July 28, 2012		At July 30, 2011	
Store Concept	Number of Stores	Square Footage	Number of Stores	Square Footage
(square footage in thousands)				
Casual Male XL	399	1,396	437	1,565
DXL	29	298	6	69
Rochester Clothing	13	118	15	127
Total Stores	441	1,812	458	1,761

Total cash outlays for capital expenditures for the first six months of fiscal 2012 and fiscal 2011 were $11.5 million and $4.8 million, respectively. The capital expenditures incurred in the first six months of fiscal 2012 were primarily related to the 13 new DXL stores that opened during the first six months of fiscal 2012.

For fiscal 2012, our capital expenditures are expected to be approximately $35.0 million. The budget includes approximately $26.8 million related to the opening of 35 new DestinationXL stores and approximately $4.6 million for continued information technology projects, including further web-related enhancements and upgraded planning and allocation software, with the remainder for general overhead projects. In addition, we expect to close approximately 70 existing stores, most of which are in connection with the opening of our new DXL stores.

Store Count

Below is a summary of store openings and closings since January 28, 2012:

	Casual Male	DXL	Rochester Clothing	Total stores
At January 28, 2012	420	16	14	450
New stores	—	13	—	13
Closed stores	(21)	—	(1)	(22)
At July 28, 2012	399	29	13	441

For the remainder of fiscal 2012, we expect to open an additional 22 DXL locations (9 stores in the third quarter and 13 stores in the fourth quarter). In connection with those store openings, we expect to close approximately 50 additional Casual Male XL stores by the end of fiscal 2012. For fiscal 2013, we currently plan to open 60 DXL stores and close approximately 123 Casual Male XL stores and 2 Rochester Clothing stores.

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 January 28, 2012 filed with the SEC on March 16, 2012.

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 November 10, 2014, bear interest at variable rates based on Bank of America's prime rate or LIBOR. At July 28, 2012, we had no outstanding borrowings. Because our average outstanding borrowings during the first six months of fiscal 2012 were less than $160,000, any increase in interest rates would have been immaterial to the financial results for the first six months of fiscal 2012.

Foreign Currency

Our Sears Canada catalog operations conduct business in Canadian dollars and our Rochester Clothing store located in London, England conducts business in British pounds. Our international e-commerce sites, which were closed during the second quarter of fiscal 2012, conducted business in Euros and British pounds. If the value of the Canadian dollar, British pound or Euro against the U.S. dollar weakens, the revenues and earnings of these operations will be reduced when they are translated or remeasured to U.S. dollars. Also, the value of these assets to U.S. dollars may decline. As of July 28, 2012, sales from our Sears Canada operations, our London Rochester Clothing store and our international e-commerce sites were immaterial to consolidated sales. As such, we believe that movement in foreign currency exchange rates will not have a material adverse affect on our financial position or results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of July 28, 2012. 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 July 28, 2012, our disclosure controls and procedures were effective.

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 July 28, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. Management believes that the resolution of those matters will not have a material adverse impact on our future results of operations or financial position.

Item 1A. Risk Factors.

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A ("Risk Factors") of our Annual Report on Form 10-K for the year ended January 28, 2012 filed with the SEC on March 16, 2012.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

10.1 Employment Agreement between the Company and Derrick Walker dated as of May 29, 2012.

10.2 First Amendment to the Employment Agreement between the Company and Derrick Walker dated as of May 29, 2012.

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.

101 The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended July 28, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Stockholders' Equity, (iv) Consolidated Statements of Comprehensive Income, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements. **

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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 17, 2012

By: /S/ PETER H. STRATTON, JR.

Peter H. Stratton, Jr.
Senior Vice President of Finance, Corporate Controller
and Chief Accounting Officer

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of May 29, 2012 between CMRG APPAREL, LLC, (the "Company") a "Related Entity", as defined in the 2006 Incentive Compensation Plan, of Casual Male Retail Group, Inc., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts, 02021 ("CMRG" which term includes any affiliates and subsidiaries), and Derrick Walker (the "Executive") having an address at 8642 Woodland Pointe, Mason, OH 45040.

WITNESSETH:

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

2. TERM

The term of employment under this Agreement (the "Term of Employment") shall begin on the date set forth above (the "Effective Date") and shall continue until terminated by either party as hereinafter set forth.

3. COMPENSATION

(a) During the Term of Employment, as compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of Two Hundred Seventy Five Thousand Dollars and 00/100 Cents ($275,000.00) (the "Base Salary"). The Base Salary shall be reviewed at least annually to ascertain whether, in the judgment of the Company, such Base Salary should be adjusted. If so, the adjusted Base Salary shall be adjusted for all purposes of this Agreement.

(b) In addition to the Base Salary, during the Term of Employment, 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 and Executive's target bonus under such plan (if all individual and Company performance conditions are met) shall be 35% of Executive's actual

annual base earnings (which shall be the total Base Salary as may be paid during the fiscal year ("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 and subject to the terms and conditions of the incentive program then in effect.

(c) In addition, during the Term of Employment, Executive is eligible to participate in the Company's Long-Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with and subject to 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 Compensation Committee's sole discretion. Executive will participate in the Company's LTIP at a target incentive rate of 70% of Executive's combined actual annual Base Earnings, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

(d) Executive will be granted fifty thousand (50,000) CMRG Non-Qualified Stock Options as of the close of trading on June 14, 2012. These shares will vest over a three year period, with 1/3 of the grant vesting each year. Details will be provided in a formal Stock Agreement.

4. EXPENSES

(a) 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 during the Term of Employment 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.

(b) Company shall pay to Executive One Hundred Six Thousand Nine Hundred Dollars and 00/100 Cents S ($106,900.00) (the "Relocation Payment") to assist in relocating to the area. The Relocation Payment, which is subject to customary withholding, shall be made in two equal installments of Thirty-Five Thousand Six Hundred and Thirty-Three Dollars and 33/100 Cents ($35,633.33) and a third and final installment of Thirty-Five Thousand Six Hundred and Thirty-Three Dollars and 34/100 Cents ($35,633.34). The first installment shall be paid to Executive on or about June 15, 2012, the second installment on or about July 6, 2012 and the third and final installment on or about July 27, 2012. If Executive leaves the Company's employment voluntarily within two years of the date of this Agreement, Executive shall reimburse the Company for the Relocation Payment based upon the following formula: 1/24th of the Relocation Payment for each month remaining in the two years from the date of this Agreement. All or a portion of such reimbursement may be withheld from Executive's final paycheck, but in any event must be made within thirty days of Executive's voluntary termination of employment.

5. OTHER BENEFITS

(a) During the Term of Employment, 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 and subject to the terms of such plans, including, without limitation, any eligibility requirements contained therein), 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 Employment, provide Executive with an automobile allowance in the total amount of eight thousand four hundred dollars and 00/100 ($8400.00) 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.

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

6. DUTIES

(a) Executive shall perform such duties and functions consistent with the position of Senior Vice President, Chief Marketing Officer 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 Employment, 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 organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate paragraph 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 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) The Term of Employment may be terminated by the Company at any time:

(i) upon the determination by the Company 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 of the Company that there is justifiable cause (as hereinafter defined) for such termination.

(b) The Term of Employment shall terminate upon:

(i) the death of Executive;

(ii) the date on which the Company elects to terminate the Term of Employment by reason of the "disability" of Executive (as hereinafter defined in subsection (c) herein) pursuant to subsection (g) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Agreement, the term "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, Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's Base Salary and reimbursement of expenses pursuant to paragraph 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 commencing with the first payroll period that begins at least 30 days after the termination of the Executive's Term of Employment conditioned upon

the Executive having provided the Company with an executed general release in the form attached hereto as Exhibit A (the "General Release") and the time for Executive's revocation of the General Release having expired. Such payments shall be made in accordance with the Company's customary payroll practices until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of the General Release within 21 days after termination of the Term of Employment (and the Executive's not revoking that General Release) 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 paragraph 4 as have been accrued through the date of his death.

(g) Upon Executive's "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 paragraph 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 paragraph 4 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Term of Employment is terminated by the Company without justifiable cause (as defined herein) or Executive resigns with Good Reason (as defined herein) within one (1) year following a Change of Control of the Company has occurred, then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of Executive's highest Base Salary in effect at any time during the six (6) month period ending on the date of the Change of Control. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2006 Incentive Compensation Plan (without regard to any subsequent amendments thereto). For purposes of the foregoing, *"Good Reason"* means the occurrence of any of the following: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material change in the geographic location at which the Employee must perform the services under this Agreement; or (iv) any other action or inaction that constitutes a material breach by the Company of this Agreement. For purposes of this provision, Good Reason shall not be deemed to exist unless the Employee's termination of employment for Good Reason occurs within 2 years following the initial existence of one of the conditions specified in clauses (i) through (iv) above, the Employee provides the Company with written notice of the existence of such condition within 90 days after the initial existence of the condition, and the Company fails to remedy the condition within 30 days after its receipt of such notice. The Company shall pay the amount required under this paragraph 7(i) in a single payment thirty (30) days after termination of the Term of Employment, subject to and conditioned upon the Executive's execution of the General Release required pursuant to paragraph 7(k) hereof and

such release becoming irrevocable. Any payments made pursuant to this paragraph 7(j) 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. The payments under this Agreement shall be reduced if and to the extent necessary to avoid any payments or benefits to Executive being treated as "excess parachute payments" within the meaning of Internal Revenue Code Section 280G(b)(i).

(j) Clawback of Certain Compensation and Benefits. If, after the termination of the Term of Employment for any reason other than by the Company for "justifiable cause":

(i) it is determined in good faith by the Company within twelve (12) months after the termination of the Term of Employment (the "Termination Date") that the Executive's employment could have been terminated by the Company for justifiable cause under paragraph 7(d) hereof (unless the Company knew or should have known that as of the Termination Date, the Executive's employment could have been terminated for justifiable cause in accordance with paragraph 7(d) hereof); or

(ii) the Executive breaches any of the provisions of paragraph 10, then, in addition to any other remedy that may be available to the Company in law or equity and/or pursuant to any other provisions of this Agreement, the Executive's employment shall be deemed to have been terminated for justifiable cause retroactively to the Termination Date and the Executive also shall be subject to the following provisions:

(A) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, all amounts paid to Executive by the Company, whether or not pursuant to this Agreement (other than such portion of Executive's Base Salary and reimbursement of expenses pursuant to paragraph 4 hereof as have been accrued through the date of the termination of the Term of Employment), on or after the Termination Date (including the pre-tax cost to the Company of any benefits that are in excess of the total amount that the Company would have been required to pay to the Executive if the Executive's employment with the Company had been terminated by the Company for justifiable cause in accordance with paragraph 7(d) above);

(B) all vested and unvested Awards (as that term is defined in the 2006 Incentive Compensation Plan) then held by the Executive shall immediately expire; and

(C) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, an amount equal to any Gains resulting from the exercise or payment of any Awards (as that term is defined in the 2006 Incentive Compensation Plan) at any time on or after, or during the one year period prior to, the Termination Date. For these purposes, the term "Gain" shall mean (i) in the case of each stock option or stock appreciation right ("SAR"), the difference between the fair market value per share of the Company's common stock underlying such option or SAR as of the date on which the Executive exercised the option or SAR, less the exercise price or grant price of the option or SAR; and (ii) in the case of any Award other than a stock option or SAR that is satisfied by the issuance of Common Stock of the Company, the value of such stock on the

Termination Date, and (iii) in the case of any Award other than a stock option or SAR, that is satisfied in cash or any property other than Common Stock of the Company, the amount of cash and the value of the property on the payment date paid to satisfy the Award.

(k) Any payment pursuant to paragraph 7(e) or 7(j) shall be contingent upon Executive's execution of the General Release within 21 days after termination of the Term of Employment, and the Executive's not revoking that release.

8. COMPLIANCE WITH SECTION 409A

(a) General. It is the intention of both the Company and the Executive that the benefits and rights to which the Executive could be entitled pursuant to this Agreement comply with Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If the Executive or the Company believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the timing of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on the Executive).

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of the Executive's employment shall be made unless and until the Executive incurs a "separation from service" within the meaning of Section 409A.

(c) 6 Month Delay for "Specified Employees".

(i) If the Executive is a "specified employee", then no payment or benefit that is payable on account of the Executive's "separation from service", as that term is defined for purposes of Section 409A, shall be made before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of the Executive's death) if and to the extent that such payment or benefit constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule. There shall be added to any payments that are delayed pursuant to this provision interest at the prime rate as reported in the Wall Street Journal for the date of the Executive's separation from service. Such interest shall be calculated from the date on which the payment otherwise would have been made until the date on which the payment is made.

(ii) For purposes of this provision, the Executive shall be considered to be a "specified employee" if, at the time of his or her separation from service, the Executive is a "key employee", within the meaning of Section 416(i) of the Code, of the Company (or any person or entity with whom the Company would be considered a single employer under Section 414(b) or Section 414(c) of the Code) any stock in which is publicly traded on an established securities market or otherwise.

(d) No Acceleration of Payments. Neither the Company nor the Executive, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

(e) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Section 409A to this Agreement, each separately identified amount to which the Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(f) Taxable Reimbursements.

(i) Any reimbursements by the Company to the Executive of any eligible expenses under this Agreement that are not excludable from the Executive's income for Federal income tax purposes (the "Taxable Reimbursements") shall be made by no later than the earlier of the date on which they would be paid under the Company's normal policies and the last day of the taxable year of the Executive following the year in which the expense was incurred.

(ii) The amount of any Taxable Reimbursements to be provided to the Executive during any taxable year of the Executive shall not affect the expenses eligible for reimbursement to be provided in any other taxable year of the Executive.

(iii) The right to Taxable Reimbursements shall not be subject to liquidation or exchange for another benefit.

9. 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 paragraph 7(d) of this Agreement.

10. NON-COMPETITION

(a) Executive agrees that during the Term of Employment and during the one (1) year period immediately following the Termination Date (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 or affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries or affiliates or otherwise compromise the Company’s good will or solicit, hire, interfere with or entice from the Company or any of its subsidiaries or affiliates any employee (or former employee who has been separated from service for less than 12 months) of the Company or any of its subsidiaries or affiliates.

(b) If any portion of the restrictions set forth in this paragraph 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 paragraph 10, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called “big and tall” apparel of any kind for men or which utilizes the “big and tall” retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive’s duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this paragraph 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 claim or cause of action (a claim or cause of action is defined as a claim or cause of action which results from a breach of the terms and provisions of this Agreement by the Company, regardless of whether the breach is material) 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.

11. 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, after the Term of Employment 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.

12. 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 Employment or at any time following the Term of Employment, 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, 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 or affiliates, the directors of the Company or its subsidiaries or affiliates, any supplier or customer of the Company or any of their subsidiaries or 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 paragraph 12(a) by Executive.

(b) All information and documents relating to the Company and its subsidiaries or 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.

13. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any enforceable provision of paragraphs 10, 11 or 12 (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 such 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 such a breach or threatened breach of any Restrictive Covenant has occurred. In the event of litigation between the parties to this Agreement regarding their respective rights and obligations under paragraphs 10, 11, or 12 hereof, the prevailing party shall be entitled to recover from the other all attorneys' fees and expenses reasonably incurred in obtaining a ruling in the prevailing party's favor. Any such damages, attorneys' fees and costs shall be in addition to and not in lieu of any injunctive relief that may be available to the Company.

14. 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.

15. 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.

16. 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.

17. 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 of the placement of the notice in the mail.

18. WAIVER OR BREACH

It is agreed that a waiver by either party of 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.

19. 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 10 through 13 of this Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

20. 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 paragraphs 4(b) and 7 through 26 hereof, which shall survive the termination or expiration.

21. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with this paragraph 21 and paragraph 15.

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, which courts shall have exclusive jurisdiction, and each party consents to the personal jurisdiction of any such state or federal court. Both parties waive their right to a trial by jury.

22. NON-DISPARAGEMENT

Executive agrees not to make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Company, its officers, directors, trustees, and employees or the services or programs provided or to be provided by the Company and the Company agrees not to make any disparaging, critical or otherwise detrimental comments to any person or entity concerning Executive.

23. 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.

24. SUBSIDIARIES AND AFFILIATES

For purposes of this Agreement:

(a) "affiliate" means any entity that controls, is controlled by, or is under common control with, the Company, and "control" means the power to exercise a controlling influence over the management or policies of an entity, unless such power is solely the result of an official position with such entity; and

(b) "subsidiary" means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or similar governing body of a non-corporate entity) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% or more of the assets on liquidation or dissolution.

25. HEADINGS

The paragraph 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.

26. 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.

CMRG APPAREL, LLC.

By: /s/ David A. Levin Date: 6/19/2012
Name: David A. Levin
Its: President, Chief Executive Officer

By: /s/ Dennis R. Hernreich Date: 6/21/2012
Name: Dennis R. Hernreich
Its: Executive VP, COO, CFO

/s/ Derrick Walker Date: 6/14/2012
Derrick Walker

EXHIBIT A
FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

1. Derrick Walker ("Executive"), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for good and valuable consideration to be paid after the date of his termination as set forth in the Employment Agreement to which this release is attached as Exhibit A (the "Employment Agreement"), does hereby release and forever discharge CMRG Apparel, LLC (the "Company"), its parents, subsidiaries, affiliated companies, successors and assigns, and their respective current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Executive's employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Executive acknowledges that the Company encouraged him to consult with an attorney of his choosing, and through this General Release of Claims encourages him to consult with his attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that he understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. Executive further understands that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any rights to receive any payments pursuant to paragraph 7 of the Employment Agreement, or any accrued but unpaid benefits under any employee benefit plan maintained by the Company (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) any rights as a holder of equity securities of the Company, and (vi) any rights or claims that, by law, may not be waived, including claims for unemployment compensation and workers' compensation. Nothing contained in this Agreement prevents you from filing a charge, cooperating with or participating in any investigation or proceeding before any federal or state Fair Employment Practices Agency, including, without limitation, the Equal Employment Opportunity Commission, except that you acknowledge that you will not be able to recover any monetary benefits in connection with any such claim, charge or proceeding.

2. Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof (a "Proceeding"); provided, however, Executive shall not have relinquished his right to commence a Proceeding to challenge whether Executive knowingly and voluntarily waived his rights under ADEA.

3. Executive hereby acknowledges that the Company has informed him that he has up to twenty-one (21) days to sign this General Release of Claims and he may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Executive also understands that he shall have seven (7) days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

4. Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed entirely within such State.

5. Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

6. This General Release of Claims shall take effect on the eighth day following Executive's execution of this General Release of Claims unless Executive's written revocation is delivered to the Company within seven (7) days after such execution.

____
Derrick Walker

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

The Employment Agreement between CMRG APPAREL, LLC, (the "Company") a "Related Entity", as defined in the 2006 Incentive Compensation Plan, of Casual Male Retail Group, Inc., and Derrick Walker ("Executive") dated as of May 29, 2012 (the "Agreement") is hereby amended effective as of May 29, 2012 (the "Amendment"). Capitalized terms used herein and not defined shall have the same meanings herein as in the Agreement.

WITNESSETH:

WHEREAS, the parties need to correct the provision in the Agreement regarding the vesting schedule for the initial grant of options to Executive to reflect accurately the prior approval of the grant by the Compensation Committee of the Company's Board of Directors which was inadvertently overlooked in the drafting of the Agreement;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Paragraph 3(d) of the Agreement is hereby deleted in its entirety and the following is hereby substituted in place thereof:

(d) Executive will be granted fifty thousand (50,000) CMRG Non-Qualified Stock Options as of the close of trading on June 14, 2012. These shares will vest over a four year period, with the first 1/3 of the grant becoming exercisable on the second anniversary of the date of grant and an additional 1/3 becoming exercisable on each of the third and fourth anniversaries of the date of grant thereafter. Details will be provided in a formal Stock Agreement.

2. Except as otherwise modified hereby, the terms and conditions of the Agreement are hereby ratified, approved and confirmed as of the date hereof and shall remain in full force and effect.

3. This First Amendment supersedes all prior communications between the Parties hereto with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the Parties, their respective successors and assigns.

4. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one agreement.

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

CMRG APPAREL, LLC.

By: /s/ David A. Levin Date: 8/15/2012
Name: David A. Levin
Its: President, Chief Executive Officer

By: /s/ Dennis R. Hernreich Date: 8/15/2012
Name: Dennis R. Hernreich
Its: Executive VP, COO, CFO

/s/ Derrick Walker Date: 8/15/2012
Derrick Walker

Exhibit 31.1

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 17, 2012

/s/ DAVID A. LEVIN
David A. Levin
Chief Executive Officer

Exhibit 31.2

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 17, 2012

/s/ DENNIS R. HERNREICH
Dennis R. Hernreich
Chief Financial Officer

Exhibit 32.1

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 July 28, 2012, 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 17, 2012

/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.

Exhibit 32.2

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 July 28, 2012, 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 17, 2012

/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.