10 YEARS AFLOAT

TED BAKER
LONDON

REPORT & ACCOUNTS
2007-2008


This Annual Report and Accounts marks
the ten year anniversary of Ted Baker
floating on the London Stock Exchange.
It also contains the results for 2007-2008.
It has been a good year for the business
and Ted is fully focused on continuing to
maintain buoyancy by doing everything
he already does, only better.

TED BAKER
LONDON

No Ordinary Designer Label

10 YEARS AFLOAT

TB 1998-2008

MMVIII

Contents

Ted's advisers

Registered Office: The Ugly Brown Building, 6a St Pancras Way, London NW1 OTB
Secretary: Charles Anderson ACMA
Financial Advisers and Stockbrokers: Investec Investment Banking, 2 Gresham Street, London EC2V 7QP
Solicitors: Jones Day, 21 Tudor Street, London EC4Y ODJ
Auditors: KPMG Audit Plc, 8 Salisbury Square, London EC4Y 8BB
Bankers: The Royal Bank of Scotland PLC, 62-63 Threadneedle Street, London EC2R 8LA
Registrars: Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Ted Baker PLC - Registered in England No: 3393836


SENIOR SWIMMING SPORTS

Chairman's Statement

I am delighted to report another successful year for Ted Baker. Through our proven multi-channel distribution strategy we carefully continue to expand our business both in the UK and internationally.

Our retail and licence divisions have once again delivered an excellent performance with retail sales increasing by 15.5% and licence income increasing by 32.5%.

Wholesale sales rose by 7.5%, which was ahead of our expectations and we have been pleased by growth in certain areas of our wholesale business. However, market conditions still provide challenges for some of our wholesale customers and we continue to monitor the profile of our wholesale customers to ensure it remains appropriate for our brand.

I would like to take this opportunity to thank all the team at Ted Baker for their hard work, passion and dedication during the year.

Results

Group revenue increased by 13.2% to £142.2m (2007: £125.6m) for the 52 weeks ended 26 January 2008. Operating profit increased by 10.4% to £22.1m (2007: £20.0m) and profit before tax increased by 10.0% to £22.1m (2007: £20.1m). Basic earnings per share increased by 6.5% to 36.1p per share (2007: 33.9p per share).

Dividends

The Board is pleased to recommend a final dividend of 11.4p per share (2007: 10.3p per share) making a total for the year of 16.4p per share (2007: 14.6p per share) an increase of 12.3% on the previous year. This reflects our more progressive dividend policy as previously announced. The final dividend will be payable on 20 June 2008 to those shareholders on the register on 16 May 2008.

Share Buy-back

In line with market practice, the Company will seek to renew the authority from shareholders to buy back up to 10% of the ordinary issued share capital of the Company in the next twelve months. As the exercise of such authority could give rise to an obligation on the part of Ray Kelvin, Founder and Chief Executive of the Company, to make a mandatory offer under Rule 9 of The City Code on Takeovers and Mergers, such authority will also be conditional on the Panel on Takeovers and Mergers agreeing to grant a dispensation from that obligation. Further details of this will be sent out in a letter accompanying the Notice of Meeting.

Current Trading and Outlook

The reaction to our Spring Summer 2008 collection has been encouraging with total retail sales ahead by 16.1% for the first seven weeks, compared with the same period last year. Retail square footage was some 9.9% higher during this period compared to last year. This performance has benefited from three stores which were closed for refurbishment last year being open for the seven week period this year.

We plan to open seven stores this year and expect retail square footage to increase by some 30,000 square feet in total by the end of the year. New store locations will include Heathrow Terminal 5, Cheapside in the City of London, Belfast, Cambridge, Bristol and White City, London. We will also open a store in South Molton Street, London featuring our Langley Court Womenswear collection.

Wholesale sales were 21.6% below the same period last year for the first seven weeks, in part due to the phasing of deliveries. We anticipate that conditions will remain challenging for some of our wholesale customers and we will continue to take action in respect of those customers who are no longer appropriate for our brand. As a result, we expect wholesale sales for 2008 to be below the level achieved for the period to 26 January 2008.

We have made a satisfactory start to the year and consider that the strength of our brand and our robust business model mean we are well placed to navigate the current uncertain economic outlook.

At this early stage, we look forward to another year of growth and development of the Ted Baker brand.

Robert Breare
Non-Executive Chairman

Business Review

Our Business
Ted Baker is a leading designer brand that operates through three main distribution channels: retail; wholesale; and licensing. We offer a wide range of collections including: Menswear; Womenswear; Global; Phormal; Endurance; Accessories; Lingerie and Underwear; Childrenswear; Fragrance and Skinwear; Footwear; Eyewear and Watches.

The brand has grown steadily from its origins as a single shirt specialist store in Glasgow to the global business it is today. We distribute through our own and licensed retail outlets, leading department stores and selected independents in Europe, the US and the Middle East and Asia.

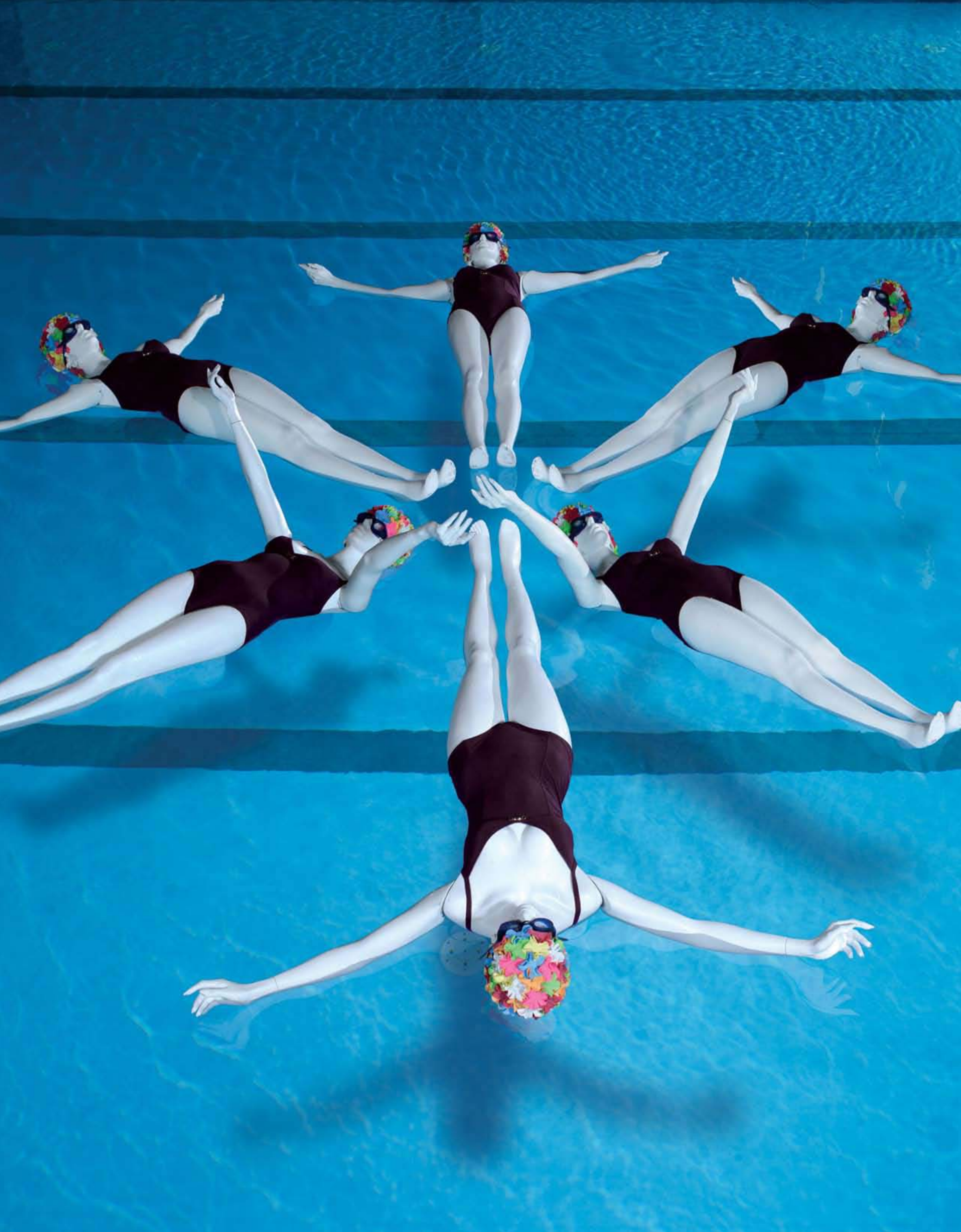
Our strategy is to become a leading global designer brand, based on three main elements:

- considered expansion of the Ted Baker collections. We review our collections continually to ensure we react to trends and meet our customers expectations. In addition, we look for opportunities to extend the breadth of collections and enhance our offer;

- controlled distribution through three main channels: retail; wholesale; and licensing. We consider each new opportunity to ensure it is right for the brand and will deliver margin led growth; and

- carefully managed development of overseas markets. We continue to manage growth in existing territories while considering new territories for expansion.

Underlying our strategy is an emphasis on design, product quality and attention to detail, which is delivered by the passion, commitment and dedication of our teams, licence partners and wholesale customers (trustees).



Global Group Performance

Retail

The retail division performed very strongly during the year with sales growth up 15.5% to £103.0m (2007: £89.2m). Average retail square footage rose by 5.8% over the period to 156,428 sq.ft. (2007: 147,861 sq.ft.). At 26 January 2008, total retail square footage was 166,761 sq.ft. (2007: 152,937 sq.ft.), representing an increase of 9.0%. As newer space and overseas stores continue to mature, retail sales per square foot increased by 9.1% from £603 to £658.

Wholesale

Wholesale sales for the year were 7.5% ahead of last year at £39.2m (2007: £36.5m), which exceeded our expectations.

Whilst we have seen a reduction in wholesale sales to some traditional customers and the transfer of some wholesale accounts to retail concessions has continued, other areas of our wholesale business have performed well. Conditions remain difficult for some of our wholesale customers and we have continued to take action in respect of those who are no longer appropriate for our brand.

The reduction was offset by the growth in products supplied to our licence partners, albeit at lower margins.

Licence income

Ted Baker operates two types of licences: territorial licences covering North America, the Middle East, Asia, Australia and New Zealand; and product licences covering perfume & fragrance, watches, footwear, eyewear, childrenswear, lingerie and branded mobile phones.

Licence income for the year was up 32.5% to £5.3m (2007: £4.0m) including a first full year from the retail licence agreements signed in 2006 with RSH Limited and Li and Fung Group of Companies. Our other territorial licences have continued to perform in line with our expectations.

Good performances were delivered across our product licences with our perfume and fragrance license delivering particularly strong growth.

Product licence income for the period included a contribution from our collaboration with The Carphone Warehouse Group to launch two Ted Baker branded mobile phones and a contribution from our new licensed childrenswear collection exclusive to Debenhams called Baker by Ted Baker, which complements our well established premium Childrenswear collection and we have been particularly pleased with progress to date.

We also signed a global watch licence (excluding the UK) with the Advanced Watch Company Limited which trades as the Geneva Watch Group ("Geneva"). Geneva will also acquire the rights to the UK on expiry of our existing licence with Zeon Limited. Geneva is one of the largest designers, manufacturers and marketers of watches in the world and we are delighted with its commitment to develop the Ted Baker watch business globally. The licence, which runs for an initial term of five years is subject to minimum guarantees and may be renewed for a further five years subject to achieving certain sales targets.

We would like to thank the team at Zeon for its hard work and dedication in establishing the Ted Baker watch brand in the UK.

Collections

Ted Baker Menswear enjoyed good growth in the period with sales up 11.1% to £79.3m (2007: £71.4m). Menswear represented 55.8% of total sales (2007: 56.4%).

Ted Baker Womenswear enjoyed excellent growth in the period with sales up 16.8% to £57.2m (2007: £48.9m). Womenswear represented 40.2% of total sales (2007: 39.6%) reflecting the growing strength of our Womenswear collections.

Sales of other collections, comprising Childrenswear and Footwear were up 7.4% at £5.7m (2007: £5.3m) and these collections represented 4.0% of our total sales (2007: 4.0%).


LONDON
HONG KONG
GB
GATWICK
MIAMI
FLORIDA
MELBOURNE
I DUBLIN

Geographic Performance

United Kingdom and Europe

Our UK and Europe retail division delivered a strong performance for the year with sales up 16.7% to £93.3m (2007: £80.0m).

Average square footage rose by 4.6% over the period to 131,085 sq ft (2007: 125,333 sq ft). At 26 January 2008, total retail square footage was 138,838 sq ft (2007: 128,481 sq ft) representing an increase of 8.1%. Retail sales per square foot increased from £638 to £712.

During the year we were delighted to announce the opening of a new store in Dublin on Grafton Street which has traded ahead of our expectations. We also opened stores in Brighton and Gatwick North and have been pleased by their performance to date.

We were also delighted to announce the launch of our standalone store dedicated purely to Womenswear in Langley Court, Covent Garden. As well as our Womenswear collections, the store houses an exclusive range of new premium, limited edition Womenswear products, called the Langley Collection, as well as lingerie, footwear and accessories, showcasing the breadth and depth of our growing Womenswear collection. We have been pleased with the performance of the store and will continue to assess opportunities to open further standalone Womenswear stores, as and when appropriate.

At 26 January 2008 we operated 24 stores (2007: 21), 85 concessions (2007: 78) and 10 outlet stores (2007: 8).

US

Our US retail division has delivered a strong performance for the period. Sales increased by 13.8% to $19.5m against $17.1m last year which in sterling was equivalent to sales up 5.6% to £9.7m (2007: £9.2m).

During the period we were delighted to announce the opening of a store in Aventura Mall, Florida. We now have 8 stores across the United States and will continue to review suitable opportunities to further our presence here, as and when they arise.

Average square footage rose by 9.9% over the period to 24,764 sq ft (2007: 22,528 sq ft). At 26 January 2008, total retail square footage was 26,423 sq ft (2007: 24,456 sq ft). Retail sales per square foot increased from $760 to $787.

Hartmarx Corporation, our US wholesale licencee, continues to make progress in developing our brand in North America.

Middle East , Asia and Australasia

We have continued with the careful expansion of the Ted Baker brand across the Middle East and Asia through our territorial licence partners RSH Limited and Li and Fung Group of Companies. We work closely with them to ensure that the visual merchandising of the stores and the training of the teams reflect the Ted Baker ethos and culture.

During the period we opened a further 7 stores through these licence partners, in Dubai, Malyasia (3), Taiwan, Singapore and Hong Kong and three concessions in Taiwan (2) and Thailand. At the year end the total number of stores and concessions in these territories was 17.

In October 2007 we were also pleased to announce the opening of our first store in Melbourne Australia, through a joint venture with our licence partner in the territory and we have been pleased with its performance to date.

10 YEARS AFLOAT
60
5
10
15
20
25
35
40
45
50
55
10
10
10

Financial Review

Gross Margin

Retail gross margins were in line with last year at 64.9% (2007: 65.0%). The wholesale gross margin was down at 40.3% (2007: 42.9%), largely as a result of increased sales to our licence partners in the Middle East and Asia at lower than average margins. The composite gross margin was 58.1% (2007: 58.6%) mainly reflecting the reduction in the wholesale margin.

Operating Expenses

Operating expenses rose by 14.0% to £66.2m (2007: £58.0m). Distribution costs, which include the costs of retail stores, outlets and concessions increased by 16.7% to £48.3m (2007: £41.4m), which was above the 5.8% increase in average retail selling space due to continued investment in our distribution centres, store refurbishments, higher turnover rents due to performance and above average increases in rates. Administration expenses increased by 7.2% to £17.8m (2007: £16.6m), reflecting the increased activity of our business and expansion in the UK, Middle East and Asia.

Finance Income and Expenses

The net interest payable during the year of £0.2m, against net interest receivable in the prior year (2007: £0.1m), reflected the effect of purchase of own shares and increased capital expenditure on cash resources.

Taxation

The tax charge for the year was £6.8m (2007: £5.6m), an effective tax rate of 30.9% (2007: 28.1%). The effective rate was higher than last year as the 2007 rate reflected a deferred tax adjustment on the recognition of tax losses in overseas subsidiaries. Excluding this, our underlying effective rate in 2007 was 30.9 %.

Cash Flow and Working Capital

We continued to focus on strong cash management and net cash generated from operations was £19.5m (2007: £13.9m), which reflected a small increase in working capital requirements and lower tax payable during the year.

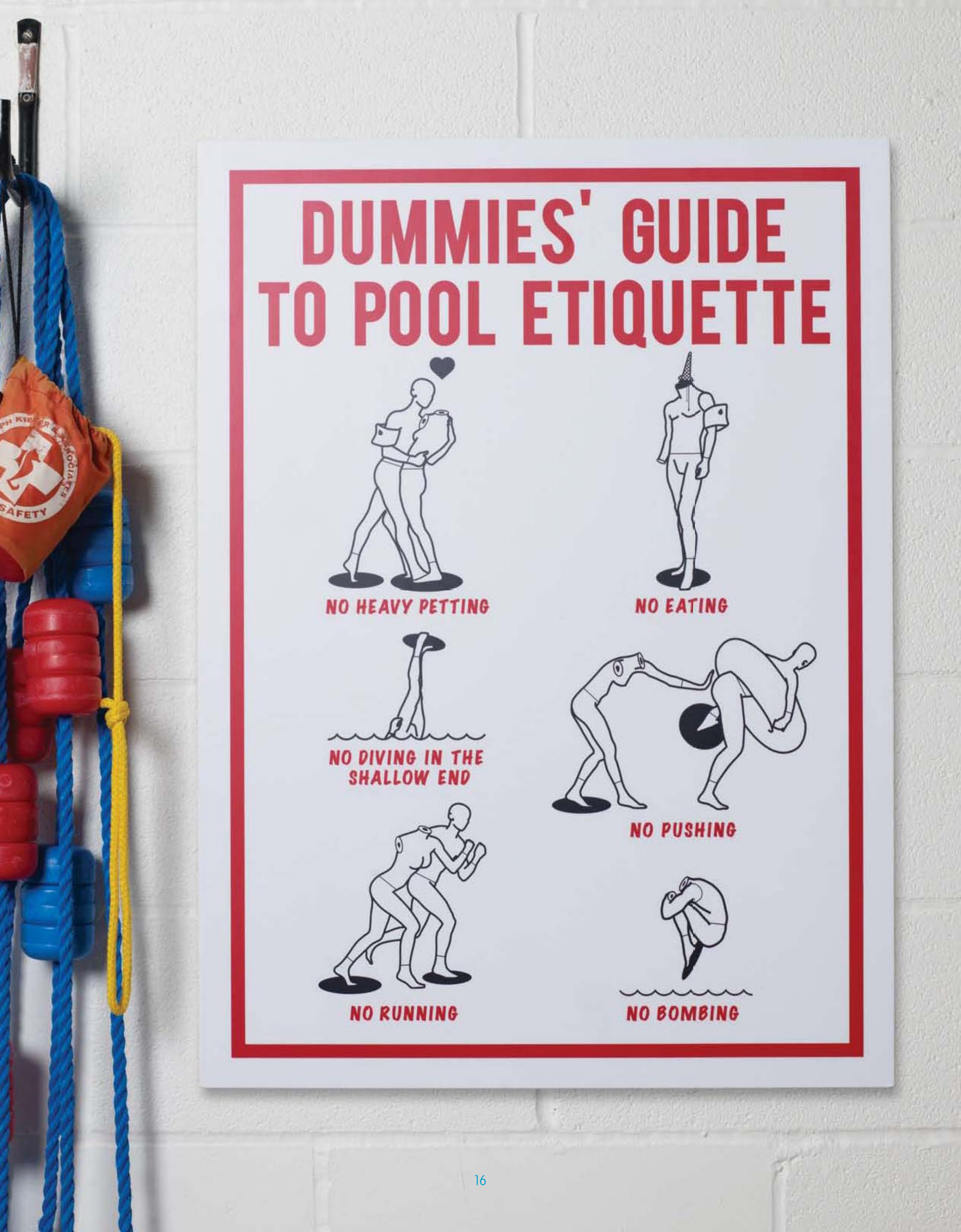
Inventory levels increased by £1.5m or 5.4% which was below the growth of the business during the year.

Capital expenditure was £8.8m (2007: £4.9m) and largely comprised investment in new retail stores. Some £1.9m of capital expenditure related to stores that will open in the early part of 2008.

Shareholder Return

Basic earnings per share increased by 6.5% to 36.1p per share (2007: 33.9p per share), which is lower than the increase in profit before tax due to the effect of a higher tax charge in 2008. Excluding the impact of these, basic earnings per share would show an underlying increase of 10.7%.

The proposed final dividend per share has increased by 10.7% from 10.3p to 11.4p. Free cash flow per share, which is calculated using the net cash generated from operating activities and interest received, increased by 39.3% from 32.6p to 45.4p primarily reflecting the higher cash generated from operating activities.


DUMMIES' GUIDE
TO POOL ETIQUETTE
NO HEAVY PETTING
NO EATING
NO DIVING IN THE
SHALLOW END
NO PUSHING
NO RUNNING
NO BOMBING
SAFETY

Risks

There are a number of risks and uncertainties that face the Group, which are monitored by the Risk Committee. Although not exhaustive, the following list highlights some of the main issues:

- as with all fashion brands, our teams are constantly striving to ensure that our offer is fashionable;

- we rely on our teams, trustees and partners to protect our brand and ensure that it is presented in an appropriate way.

This risk is minimised by careful consideration of each new opportunity and each partner with whom we do business;

- we may face increases in our operating costs due to growth in payroll, property and other costs, some of which may be outside the scope of our control;

- the risks arising from exchange rate and interest rate fluctuations, although these are minimised through the use of financial instruments;

- operational problems including disruption to the infrastructure that supports our business; and

- we recognise the importance of our teams within the business and have put in place a structure that minimises reliance on key individuals.

The role of the Risk Committee is summarised in more detail in the Internal Control section on page 24.

Board Of Directors

Robert Breare – Non-Executive Chairman (55)
Robert has extensive experience of consumer facing businesses and was formerly a director of Arcadian International Plc. Robert is chairman of Individual Restaurant Company plc, chief executive of Merchant Inns Plc and holds a number of non-executive positions. He is chairman of the audit committee and the nomination committee and a member of the remuneration committee. Robert is an independent director.

Raymond Stuart Kelvin – Chief Executive (52) ('Closest Man To Ted')
Ray, the founder of Ted Baker, has worked in the fashion industry for over 35 years. In 1973 he founded PC Clothing Limited, a supplier of womenswear to high street retailers. In 1987 Ray developed the Ted Baker brand and has been chief executive of Ted Baker since its launch in 1988.

Lindsay Dennis Page, MA, ACA – Finance Director (49)
Lindsay joined Ted Baker as finance director in February 1997. He joined Binder Hamlyn in 1981, became a founder member ofthe corporate finance department in 1986 and a partner in 1990. Binder Hamlyn subsequently merged with Arthur Andersen in 1994.

David Alan Bernstein – Non-Executive (64)
David is non-executive chairman of Blacks Leisure plc, Frank Thomas Limited and Sports and Leisure Group Ltd and a non-executive director of Wembley National Stadium Limited and Carluccios plc. Previously he was joint managing director of Pentland Group Plc and chairman of French Connection plc and Manchester City plc. He is a member of the remuneration, audit and nomination committees. David is an independent director.

David Bruce Hewitt – Non-Executive (75)
David spent the major part of his career with Thorn EMI and became managing director of its Ferguson division in 1982. In 1985 he joined Comet PLC as its chairman. He has held a number of non-executive positions. He is chairman of the remuneration committee and a member of the audit and nomination committees. David is an independent director and the senior non-executive director.

Directors' Report

The directors present their annual report on the affairs of the Group, together with the accounts and auditors' report, for the 52 weeks ended 26 January 2008. The comparative period is for the 52 weeks ended 27 January 2007.

Principal Activities

Ted Baker is a leading designer brand and the principal activities of the Group comprise the design, wholesale and retail of menswear, womenswear, childrenswear and related accessories. The subsidiary undertakings principally affecting the profits and net assets of the Group in the period are listed in note 12 to the accounts. The Group also has a branch operating in Ireland while the Danish branch stopped trading during the year.

Business Review and Future Prospects

A commentary on the Group's progress during the period, it's future prospects and a description of principal risks and uncertainties are set out in the Chairman's Statement and Business Review on pages 7 to 17.

Results and Dividends

The audited accounts for the 52 weeks ended 26 January 2008 are set out on pages 33 to 62. The Group profit for the 52 weeks, after taxation, was £15,242,000 (2007: £14,416,000). The directors recommend a final dividend of 11.4p per ordinary share (2007: 10.3p) payable on 20 June 2008 to ordinary shareholders on the register on 16 May 2008 which, together with the interim dividend of 5.0p per share (2007: 4.3p per share) paid on 30 November 2007, makes a total of 16.4p per share for the period (2007: 14.6p per share).

Directors

Details of the directors' beneficial interests in the shares of the Company and their options are given in the Directors' Remuneration Report. Brief details of the career of each director are set out on page 18.

Mr L. D. Page, Mr R. Breare and Mr D. B. Hewitt will retire by rotation at the next annual general meeting and, being eligible, will offer themselves for re-election. Mr D. B. Hewitt faces annual re-election due to his length of service as a non-executive Director of the Company.

Substantial Shareholdings

On 18 March 2008, the Company had been notified, in accordance with the Disclosure Rules and Transparency Rules (DTR5), of the following interests in the ordinary share capital of the Company:

Name Of Holder	Number	% Held
R S Kelvin	16,537,276	39.3
Schroder Investment Management Ltd	3,867,391	9.2
Credit Suisse Asset Management Ltd	3,390,792	8.1
FMR Corp	1,960,048	4.7
Lloyds TSB Group	1,400,346	3.3
British Coal Staff Superannuation Scheme	1,362,177	3.2
Mineworkers Pension Scheme	1,312,600	3.1
Legal & General Group Plc	1,302,952	3.1

Share Capital and Control

As at 26 January 2008, the Company's authorised share capital was 80,000,000 ordinary shares of 5 pence each (in nominal value). Details of the Company's share capital are shown in note 20 to the consolidated financial statements on page 54. On 26 January 2008 there were 43,198,033 ordinary shares in issue. The Company holds 1,230,979 ordinary shares in treasury. The Company may not exercise any rights (such as voting rights) in respect of the treasury shares and the treasury shares carry no right to receive dividends or other distributions of assets.

The rules about the appointment and replacement of directors are contained in the Company's Articles of Association. Specific rules regarding the re-election of directors are referred to in the Corporate Governance Statements report. Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force from time to time. The powers of the directors are determined by legislation and the Memorandum and Articles of Association of the Company in force from time to time. Powers relating to the issuing and buying back of shares are included in the Company's Articles of Association and such authorities are renewed by shareholders each year at the annual general meeting.

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid, such as commercial contracts, bank loan agreements and employee share schemes. None of these is deemed to be significant in terms of its potential impact on the business of the Company.

The Company does not have agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover, save that the Company's share schemes contain provisions which may cause options and awards granted to employees to vest on a takeover.

Directors' Interests
The directors who held office at 26 January 2008 had the following interests in the shares of Ted Baker PLC:

	% of share capital	26 January 2008 Beneficial	27 January 2007 Beneficial
R S Kelvin	39.3%	16,537,276	16,537,276
L D Page		303,837	293,837

No changes took place in the interests of directors between 26 January 2008 and 18 March 2008.

Purchase of Own Shares
The Board exercised the authority approved by shareholders at the time of the last annual general meeting to buy back its own shares in the market.

In March 2007, the Company purchased a total of 830,807 ordinary 5p shares at a price of 590p per share, which represented 1.9% of the issued share capital. At 26 January 2008, 1,230,979 shares were held in treasury.

Going Concern
After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Creditor Payment Policy
The Company's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not follow any code or statement on payment practice. The number of days' purchases outstanding for payment by the Group at the end of the year was 52 days (2007: 52 days). At the year end the Company had no trade creditors.

Donations
There were no donations during the period (2007: £Nil).

Disabled Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee Practices
The Group places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the significant factors affecting the performance of the Group. This is achieved through formal and informal meetings and employee representatives are consulted regularly on a wide range of matters affecting employees current and future interests. Employees are encouraged to join the Group's Save as you Earn scheme and are informed of the Group's financial performance regularly during the financial year as well being given the financial and economic reasons behind the Group performance. The Group operates a bi-annual performance review system with each employee to discuss personal and career development.

The Group believes in respecting individuals and their rights in the workplace. With this in mind, specific policies are in place covering harassment and bullying, whistle blowing, equal opportunities and data protection.

Social Responsibility
The Board has identified and assessed the significant risk to the Group's short term and long term value arising from social, environmental and ethical ('SEE') matters and the formal schedule of matters reserved to the Board takes account of SEE matters. L D Page, Finance Director, has been given specific responsibility for overseeing the formulation of the Group's policies and procedures for managing risks arising from SEE matters.

The Group is continually reviewing systems to reduce the effect on the environment of waste generated at the Group's sites and continues to recycle waste where possible, including paper, cans, plastic and cardboard. The Group complies with the Producer Responsibility Obligation (Packaging Waste) Regulations 1997 and is a member of the Wastepak Compliance Scheme. The Group is committed to energy efficiency and has an ongoing programme to seek improvements in this area.

Health and Safety
The Group remains committed to ensuring a safe place to work and shop for all employees and customers. Annual risk assessments are carried out at all locations and a committee, comprised of representatives within the business and an external adviser, continue to review and resolve any health and safety issues.

Risk Management
The Company's policies on currency and interest rate risk are outlined in Note 23 of the Financial Statements.

Directors' Statement Regarding Disclosure of Information to Auditors
The directors who held office at the date of approval of this Directors' Report comfirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Further, each director has taken all the steps that he ought to have taken as a director to ensure the Board is aware of any relevant audit information and to establish that the Company's auditors are aware of any such information.

Auditors
The directors will place a resolution before the annual general meeting to re-appoint KPMG Audit Plc as auditors for the ensuing year.

The report was approved by the Board of Directors on 18 March 2008 and signed on its behalf by:

C F Anderson, Secretary,
Registered office - The Ugly Brown Building, 6a St Pancras Way, London NW1 OTB

Corporate Governance Statements

Statement of compliance with the Combined Code

The Company has complied throughout the year with all of the provisions of the Combined Code on Corporate Governance issued in June 2006 ('the Combined Code').

Statement about applying the principles of Good Governance

The Company has applied the principles of Good Governance set out in section 1 of the Combined Code by complying with the Code of Best Practice as reported above. Further explanation of how the principles have been applied is set out below and, in connection with directors' remuneration, in the Directors' Remuneration Report.

The Board

The Board currently comprises a non-executive chairman, a chief executive, one other executive director and two non-executive directors. Biographies of these directors appear on page 18.

David Hewitt has held the position of non-executive director since 1997 and has been confirmed by the Board as the Company's senior independent director. The Board recognises that he has served as a non-executive for 11 years, but remains satisfied that he is independent. All the non-executive directors are considered by the Board to be independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement.

The Board meets regularly throughout the year. It considers all issues relating to the strategy, direction and future development of the Group. The Board has a schedule of matters reserved to it for decision that is regularly updated. The requirement for Board approval on these matters is understood and communicated widely throughout the Group. The non-executive directors meet with the chairman separately during the year. In addition the non-executive directors meet without the chairman present to appraise the chairman's performance.

Operational decision making, operational performance and the formulation of strategic proposals to the Board are controlled by an executive committee that comprises the chief executive, the finance director and subsidiary directors. The executive committee meets regularly throughout the year.

To enable the Board to function effectively and the directors to discharge their responsibilities, full and timely access is provided to all relevant information. There is an agreed procedure for directors to take independent professional advice, if necessary, at the Company's expense. This is in addition to the access every director has to the Company Secretary.

Board and committee attendance

The following table details the number of Board and committee meetings held during the 52 weeks ended 26 January 2008 and the attendance record of each director.

	Board meetings	Audit committee	Remuneration committee
Number of meetings held in year	11	2	3
Robert Breare	11	2	3
David A Bernstein	10	1	3
David B Hewitt	10	2	3
Raymond S Kelvin	10	-	-
Lindsay D Page	11	-	-

Audit Committee

During the period, Robert Breare was chairman of the Audit Committee and the other committee members were David Bernstein and David Hewitt. The Board considers the chairman to be independent because he was independent on appointment. All the committee members are non-executive directors and meet at least twice a year to review and approve the interim and annual financial statements, before submission for approval by the Board and consider any matters raised by the auditors. The committee will consider significant financial reporting judgements contained in the financial statements, including accounting policies and compliance, areas of management judgements and estimates and the effectiveness of financial reporting and controls. The Board considers all members to have relevant financial experience.

The Audit Committee oversees the Company's relationship with the external auditors and makes recommendations to the Board in relation to their appointment, re-appointment and removal and approves their remuneration and terms of engagement. The Board and committee also review the independence of the external auditors and consider the engagement of the external auditors to supply non-audit services.

The committee is responsible for the review of the Company's procedures for responding to the allegations of whistleblowers and the arrangements by which staff may, in confidence, raise concerns about possible financial reporting irregularities.

Nomination Committee

During the period, Robert Breare was chairman of the Nomination Committee and the other committee members were David Bernstein and David Hewitt. The Board considers the chairman to be independent because he was independent on appointment. All the committee members are non-executive directors. The committee is responsible for nominating candidates for appointment to the Board. There were no meetings during the period and no board appointments.

All non-executive directors are advised of the time commitment considered necessary to enable them to fulfil their responsibilities prior to appointment.

Appointments to the Board

Newly appointed directors are given training appropriate to the level of their previous experience. Non-executive directors meet regularly with members of the executive committee and other personnel within the organisation. In addition, site visits ensure that the non-executive directors gain first hand experience of developments within the Group.

Any director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek re-election by the shareholders at the next Annual General Meeting.

The Company's Articles of Association require those directors who have been in office for at least two years from the date of their original appointment (or from the date of their latest re-election if later) to retire from office.

Communication with Shareholders

The Group attaches considerable importance to the effectiveness of its communication with its shareholders. The full report and accounts are sent to all shareholders and further copies are distributed to others with potential interest in the Group's performance.

The directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by making general presentations after the interim and preliminary results; meeting shareholders to discuss long-term issues and gather feedback; and communicating regularly throughout the year. All shareholders have access to these presentations, as well as to the annual report and accounts and to other information about the Company, through the website at www.tedbaker.com They may also attend the Company's Annual General Meeting at which they have the opportunity to ask questions.

Non-executive directors are kept informed of the views of shareholders by the executive directors and are provided with independent feedback from investor meetings.

Internal Control
The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Following publication of guidance for directors on internal control "Internal Control: Guidance for Directors on the Combined Code" ('the Turnbull guidance'), the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, that has been in place for the year under review and up to the date of approval of the annual report and accounts, and that this process is regularly reviewed by the Board and accords with the Turnbull guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed. Management is responsible for the identification and evaluation of significant risks applicable to their areas of the business together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

The Group has an independent internal audit function whose findings are regularly reviewed by the executive committee and the Board. The Audit Committee monitors and reviews the effectiveness of the internal audit activities.

Management reports regularly on its review of risks and how they are managed to the Risk Committee, whose main role is to review, on behalf of the Board, the key risks inherent in the business and the system of control necessary to manage such risks, and to present their findings to the Board.

The Chief Executive reports to the Board on behalf of the executive committee on significant changes in the business and the external environment which affects significant risks. The Finance Director provides the Board with monthly financial information which includes key performance indicators. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Risk Committee and the Audit Committee.

The Risk Committee includes the Finance Director and various heads of department. It reviews, on a twice yearly basis, the risk management and control process and considers:

- the authority, resources and co-ordination of those involved in the identification, assessment and management of the significant risks faced by the Group;
- the response to the significant risks which have been identified by management and others;
- the maintenance of a control environment directed towards the proper management of risk; and
- the annual reporting procedures.

Additionally, the Risk Committee keeps abreast of all changes made to the systems and follows up on areas that require improvement. It reports to the Board at twice yearly intervals or more frequently should the need arise.

Directors' Remuneration Report

As well as complying with the Provisions of the Code, as disclosed in the Company's corporate governance statements, the Board has applied the Principles of Good Governance relating to directors' remuneration and the Directors' Remuneration Report Regulations 2002 contained in schedule 7A to CA85 as described below.

Procedures for Developing Policy and Fixing Remuneration

David Hewitt was the chairman of the remuneration committee during the 52 weeks to 26 January 2008 with David Bernstein and Robert Breare as the other committee members. The Board has shown its commitment to formal and transparent procedures for developing a remuneration policy, fixing executive remuneration and ensuring that no director is involved in deciding his or her own remuneration by consulting the Monk Partnership (an associate firm of PriceWaterhouseCoopers which also provided tax and accounting services to the Group in the year) on executive directors' pay trends. This policy is expected to continue in forthcoming years.

Statement of Remuneration Policy

The Board does not pay more than is necessary to attract and retain the directors required to run the Company successfully. The aim of the Company's remuneration policy is to attract, motivate and retain high quality management and to incentivise them to achieve growth in earnings per share which delivers value to the shareholders.

The total size of the remuneration package is judged by comparison with the value of packages of similar companies, having regard to:

- the size of the Company, its turnover, profits and number of people employed;
- the diversity and complexity of the business;
- the geographical spread of the business; and
- the growth and expansion profile.

The remuneration policy is as follows:

Basic Salary

This is reviewed annually by the Remuneration Committee having regard to competitive market practice and each director's contribution to the business, thus allowing for individual performance.

Annual Bonus

The annual grant of bonuses is conditional upon achievement of targets by reference to agreed financial performance measures and external expectations, namely profit before tax and growth in earnings per share. These are designed to provide a direct link between the rewards of executives and returns to shareholders. Bonuses are capped at 100 per cent of basic salary. This scheme is applicable to Mr R S Kelvin and Mr L D Page. Amounts received in the year may be found on page 28.

Benefits

Taxable benefits include such items as company cars, fuel and medical expense insurance. Life assurance is provided as a non-taxable benefit.

Pensions

The Company operates a money purchase scheme with a Company contribution of 12.5 per cent of basic salary for executive directors apart from Mr R S Kelvin.

Long Term Incentive Plans and Share Options

The Company believes that share ownership by executive directors and senior executives strengthens the link between their personal interests and those of the shareholders. Earnings per share growth is the chosen performance criterion because it is seen as a key driver of shareholder value.

The Company's Executive Share Option Scheme and Performance Share Plan impose an aggregate individual limit on the market value of shares, which may be subject to options or awards of ten times that individual's annual remuneration. The Remuneration Committee's policy is usually to grant share options every three to five years, with each grant based on between one and four times an individual's basic salary, and to grant conditional awards annually based on one times an individual's basic salary.

The following schemes are in operation for the benefit of directors:

The 1997 Executive Share Option Scheme
Under this scheme, options may be granted to subscribe for new shares and to acquire shares from the Ted Baker Group Employee Benefit Trust. The exercise of options is subject to earnings per share growth over three accounting periods, the first being the one in which the grant is made. If compound earnings per share growth is at least 10 per cent per annum, then 25 per cent of the options will be exercisable rising on a straight line basis to the maximum if compound growth of 15 per cent per annum is achieved. Currently, there are no options granted under this scheme.

In establishing the performance conditions of the share scheme, the Remuneration Committee has reviewed the standards used by similar sized companies within the retail industry and has established challenging criteria that are required to be met in order to permit admission into the scheme.

The Ted Baker Performance Share Plan
Under this plan, both conditional awards and share options may be granted:

- The award of shares is subject to earnings per share growth over three accounting periods, the first being the one in which the grant is made. If compound earnings per share growth is at least 10 per cent per annum, then 25 per cent of the award will vest rising on a straight line basis to the maximum if compound growth of 15 per cent per annum is achieved. Shares awarded will normally be received in two equal tranches, one following the end of the three-year performance period and the second tranche one year later. Mr R S Kelvin and Mr L D Page have received awards under this plan.

- The exercise of share options is subject to the same performance conditions as the 1997 Executive Share Option Scheme.

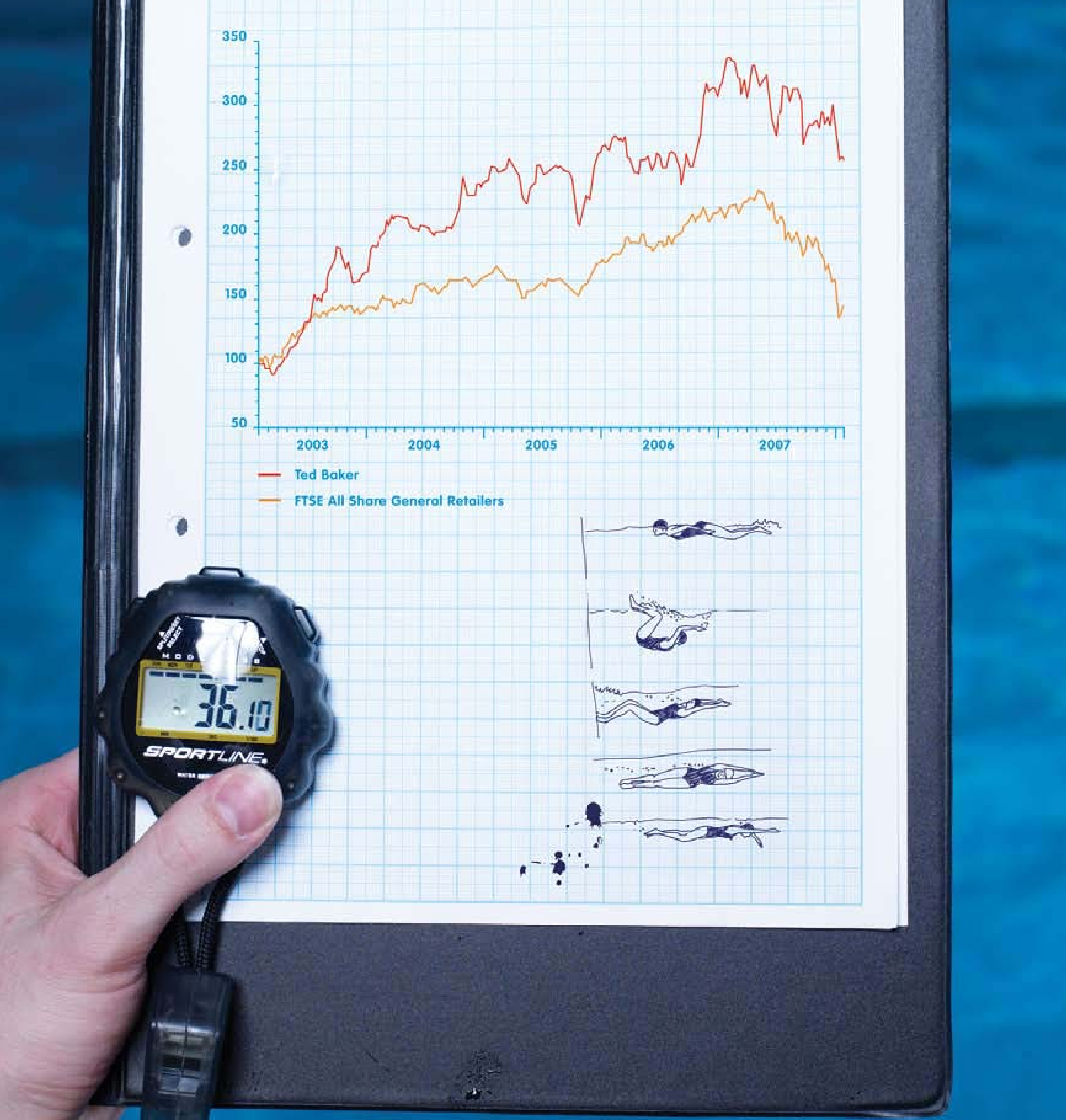
The Ted Baker Sharesave Scheme
Under this scheme, options are made available to all employees to encourage share ownership. The exercise of options is not subject to performance conditions. Mr R S Kelvin and Mr L D Page have been granted options under this scheme.

Contracts of Service
Each executive director has a service contract with a notice period of 12 months subject to retirement, normally at the age of 65. The Board sets non-executive directors' fees.

	Date of service contract	Un-expired term	Notice period	Provision for compensation
Robert Breare	1 November 2001	6 months	6 months	None
David A Bernstein	24 January 2003	6 months	6 months	None
David B Hewitt	17 July 1997	6 months	6 months	None
Raymond S Kelvin	17 July 1997	12 months	12 months	None
Lindsay D Page	17 July 1997	12 months	12 months	None

Total shareholder value

The following charts the total cumulative shareholder return of the Company since February 2003 to January 2008.



Audited Information

The auditors are required to report on the individual aspects of remuneration, which may be found in the following section of this report.

Directors' remuneration, interests and transactions

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Emoluments	605	886
Money purchase pension contributions	29	27
	634	913

Directors' emoluments

	Fees / basic salary	Benefits	Performance related bonus	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000	£'000	£'000	£'000
Executive					
R S Kelvin	256	11	-	267	420
L D Page	236	2	-	238	366
Non-executive					
R Breare	40	-	-	40	40
D A Bernstein	30	-	-	30	30
D B Hewitt	30	-	-	30	30
	592	13	-	605	886

Performance related bonuses are determined by the Remuneration Committee based on achievement of targets by reference to agreed financial performance measures and external expectations, namely profit before tax and growth in earnings per share. Bonuses are capped at 100% of basic salary.

Options granted to directors under the SAYE share option scheme were as follows:

	27 January 2007 No. of shares	Options (exercised) or granted No. of shares	26 January 2008 No. of shares	Option price p	Earliest date of exercise	Expiry Date
L D Page	5,354	-	5,354	296.0	1 February 2009	1 August 2009
R S Kelvin	5,354	-	5,354	296.0	1 February 2009	1 August 2009

Since 26 January 2008 the Remuneration Committee has recommended further share options to Mr R S Kelvin and Mr L D Page, however, the Trustees of the Ted Baker Group Employees Trust had not made these awards as at 18 March 2008.

Directors' long term incentive schemes

The Company operates the Ted Baker Performance Share Plan ('the Plan') which was approved in an Extraordinary General Meeting held on 10 November 1998.

	Share price at award date	No. of shares awarded	Share price at first vesting date	No. of shares vested
R S Kelvin	437.0p	51,487	612.0p	49,942
L D Page	437.0p	38,902	612.0p	37,735

On 27 April 2004, the Trustees of the Ted Baker 1998 Employee Benefit Trust made the share awards set out above under the Plan for the three years ended 27 January 2007. Awards under the Plan were subject to the growth of the Company's earnings per share over a three-year period, details of which may be found on page 26. Diluted earnings per share rose by a compound rate of 14.8% during the three years resulting in 97 per cent of the total award vesting. 50 percent of the shares vesting under the plan were distributed in the year ended 26 January 2008. The remaining balance will be distributed in the year ending 31 January 2009.

On 31 July 2006, the Trustees of the Ted Baker 1998 Employee Benefit Trust made the share awards set out below under the plan for the three years ending 31 January 2009. Awards under the plan are subject to the growth of the Company's earnings per share over a three year period, details of which may be found on page 26.

	Share price at award date	No. of shares awarded	Share price at first vesting date	No. of shares vested
R S Kelvin	499.6p	50,025	-	-
L D Page	499.6p	44,022	-	-

On 23 March 2007, the Trustees of the Ted Baker 1998 Employee Benefit Trust made the share awards set out below under the plan for the three years ending 30 January 2010. Awards under the plan are subject to the growth of the Company's earnings per share over a three year period, details of which may be found on page 26.

	Share price at award date	No. of shares awarded	Share price at first vesting date	No. of shares vested
R S Kelvin	611.5p	43,793	-	-
L D Page	611.5p	38,537	-	-

Since 26 January 2008 the Remuneration Committee has recommended further share awards to Mr R S Kelvin and Mr L D Page, however, the Trustees of the Ted Baker 1998 Employee Benefit Trust had not made these awards as at 18 March 2008.

Directors' pensions

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
L D Page	29	27

David Hewitt, Chairman of the Remuneration Committee

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs, as adopted by the EU and applicable law, and they have also elected to prepare the parent company financial statements on the same basis.

The group and parent company financial statements are required by law and IFRSs, as adopted by the EU, to present fairly the financial position of the group and the parent company and the performance for that period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing the Directors' Report, Directors' Remuneration Report and the Corporate Governance Statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the Annual Report

We, the directors of the Company, confirm that to the best of our knowledge:

(a) the financial statements have been prepared in accordance with IFRS's as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

(b) the Directors' Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that face the Group.

By order of the Board

R S Kelvin
Chief Executive

18 March 2008

L D Page
Finance Director

18 March 2008

Independent Auditors' Report to the Members of Ted Baker PLC

We have audited the group and parent company financial statements (the "financial statements") of Ted Baker PLC for the 52 weeks ended 26 January 2008 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity, and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 30.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's statement, Chief Executive's Review and Finance Director's report that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the group's affairs as at 26 January 2008 and of its profit for the 52 weeks then ended;

- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 26 January 2008;

- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation; and

- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square, London, EC4Y 8BB
18 March 2008

Group Income Statement

For the 52 weeks ended 26 January 2008

	Note	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
		£'000	£'000
Revenue	2	142,231	125,648
Cost of sales		(59,560)	(51,986)
Gross profit		82,671	73,662
Distribution costs		(48,320)	(41,404)
Administrative expenses		(17,844)	(16,645)
Other operating income		5,635	4,436
Operating profit		22,142	20,049
Finance income	4	292	192
Finance expenses	4	(387)	(191)
Share of profit of jointly controlled entity, net of tax	12	10	-
Profit before tax	3,5	22,057	20,050
Income tax expense	6	(6,815)	(5,634)
Profit for the period		15,242	14,416
Attributable to:			
Equity shareholders of the parent company		15,196	14,421
Minority interests		46	(5)
Profit for the period		15,242	14,416
Earnings per share	9		
Basic		36.1p	33.9p
Diluted		35.9p	33.6p

The Income statement relates to continuing operations.

Group Statement of Changes in Equity

For the 52 weeks ended 26 January 2008

	Share capital	Share premium	Available for sale reserve	Cash flow hedging reserve	Translation Reserve	Retained earnings	Total equity attributable to equity shareholders of the parent	Minority interest	Total equity
	£'000	£'000	£'000	£,000	£,000	£'000	£'000	£'000	£'000
Balance at 27 January 2007 (restated)	2,160	9,052	-	(90)	(493)	40,709	51,338	(57)	51,281
Share option charge	-	-	-	-	-	234	234	-	234
Movement on current/deferred tax on share options	-	-	-	-	-	(80)	(80)	-	(80)
Effective portion of changes in fair value of cash flow hedges	-	-	-	590	-	-	590	-	590
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(249)	-	-	(249)	-	(249)
Exchange rate movement	-	-	-	-	(27)	-	(27)	-	(27)
Income and expense recognised directly in equity	-	-	-	341	(27)	154	468	-	468
Profit for the period	-	-	-	-	-	15,196	15,196	46	15,242
Own shares acquired	-	-	-	-	-	(4,936)	(4,936)	-	(4,936)
Transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust	-	85	-	-	-	-	85	-	85
Disposal of own / treasury shares	-	-	-	-	-	(7)	(7)	-	(7)
Dividends paid	-	-	-	-	-	(6,421)	(6,421)	-	(6,421)
Balance at 26 January 2008	2,160	9,137	-	251	(520)	44,695	55,723	(11)	55,712

Group Statement of Changes in Equity

For the 52 weeks ended 27 January 2007

Restated	Share capital	Share premium* (Restated)	Available for sale reserve	Cash flow hedging reserve	Translation Reserve	Retained earnings (Restated*)	Total equity attributable to equity shareholders of the parent	Minority interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 January 2006	2,149	6,983	176	(7)	12	32,911	42,224	(52)	42,172
Share option charge	-	-	-	-	-	332	332	-	332
Movement on current/deferred tax on share options	-	-	-	-	-	(23)	(23)	-	(23)
Net change in fair value of available for sale financial assets	-	-	(176)	-	-	-	(176)	-	(176)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(78)	-	-	(78)	-	(78)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(5)	-	-	(5)	-	(5)
Exchange rate movement	-	-	-	-	(505)	-	(505)	-	(505)
Income and expense recognised directly in equity	-	-	(176)	(83)	(505)	309	(455)	-	(455)
Profit for the period	-	-	-	-	-	14,421	14,421	(5)	14,416
Shares issued	11	1,045	-	-	-	-	1,056	-	1,056
Own shares acquired (restated) *	-	-	-	-	-	(3,438)	(3,438)	-	(3,438)
Transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust (restated) *	-	1,024	-	-	-	-	1,024	-	1,024
Disposal of own / treasury shares (restated) *	-	-	-	-	-	1,841	1,841	-	1,841
Dividends paid	-	-	-	-	-	(5,335)	(5,335)	-	(5,335)
Balance at 27 January 2007 (restated)	2,160	9,052	-	(90)	(493)	40,709	51,338	(57)	51,281

Footnote:
* For further details see note 25

Company Statement of Changes in Equity

For the 52 weeks ended 26 January 2008

	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000	**£'000**
Balance at 27 January 2007 (restated)	2,160	9,052	14,503	3,216	28,931
Share option charge	-	-	-	26	26
IFRIC 8 **	-	-	208	-	208
Profit for the period	-	-	-	8,605	8,605
Own shares acquired	-	-	-	(4,936)	(4,936)
Transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust	-	85	-	-	85
Disposal of own shares	-	-	-	(7)	(7)
Dividends paid	-	-	-	(6,421)	(6,421)
Balance at 26 January 2008	2,160	9,137	14,711	483	26,491

Restated	Share capital	Share premium (Restated*)	Other reserves	Retained earnings (Restated*)	Total Equity
	£'000	£'000	£'000	£'000	**£'000**
Balance at 28 January 2006	2,149	6,983	13,000	1,513	23,645
Effect of change in accounting policy - IFRIC 8**	-	-	1,226	-	1,226
Balance at 28 January 2006 (restated)	2,149	6,983	14,226	1,513	24,871
Share option charge	-	-	-	55	55
Restatement related to IFRIC 8**	-	-	277	-	277
Profit for the period	-	-	-	4,527	4,527
Shares issued	11	1,045	-	-	1,056
Own shares acquired (restated)*	-	-	-	(3,438)	(3,438)
Transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust (restated)*	-	1,024	-	-	1,024
Disposal of own shares (restated)*	-	-	-	5,894	5,894
Dividends paid	-	-	-	(5,335)	(5,335)
Balance at 27 January 2007 (restated)	2,160	9,052	14,503	3,216	28,931

Footnote:
* For further details see note 25. ** Restated following first time adoption of IFRIC 8 "Scope of IFRS 2". For further details see note 1a.

Group and Company Balance Sheet

At 26 January 2008

	Note	Group 26 January 2008	Company 26 January 2008	**Restated** * Group 27 January 2007	**Restated** * Company 27 January 2007
		£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	10	543	-	482	-
Property, plant and equipment	11	23,061	-	19,209	-
Investments in subsidiary **	12 / 1a	-	16,800	-	16,592 **
Investments in equity accounted investee	12	10	-	-	-
Deferred tax assets	13	336	-	525	-
Prepayments		849	-	-	-
		24,799	16,800	20,216	16,592
Current assets					
Inventories	14	29,315	-	27,825	-
Trade and other receivables	15	14,128	8,710	11,843	9,760
Amount due from equity accounted investee	12	178	-	-	-
Derivative financial assets	16	603	-	216	-
Cash and cash equivalents	17	13,105	982	13,513	2,584
		57,329	9,692	53,397	12,344
Current liabilities					
Trade and other payables *	18	(21,777)	(1)	(20,274) *	(4)
Income tax payable *		(3,418)	-	(1,708) *	(1)
Derivative financial liabilities	16	(378)	-	(307)	-
		(25,573)	(1)	(22,289)	(5)
Non-current liabilities					
Deferred tax liabilities	13	(843)	-	(43)	-
		(843)	-	(43)	-
Total liabilities		(26,416)	(1)	(22,332)	(5)
Net assets		55,712	26,491	51,281	28,931
Equity					
Share capital	20	2,160	2,160	2,160	2,160
Share premium account *	20	9,137	9,137	9,052 *	9,052 *
Other reserves **	20	251	14,711	(90)	14,503 **
Translation reserve	20	(520)	-	(493)	-
Retained earnings *	20	44,695	483	40,709 *	3,216 *
Total equity attributable to equity shareholders of the parent company		55,723	26,491	51,338	28,931
Minority interests		(11)	-	(57)	-
Total equity		55,712	26,491	51,281	28,931

These financial statements were approved by the Board of Directors on 18 March 2008 and were signed on its behalf by:

L D Page
Director

Footnote:
* For further details see note 25. These reclassifications did not result in a change in either chareholders funds or net assets at 27 January 2007.
** Restated following first time adoption of IFRIC 8 "Scope of IFRS 2". For further details see note 1a.

Group and Company Cash Flow Statement

For the 52 weeks ended 26 January 2008

	Group 52 weeks ended 26 January 2008	Company 52 weeks ended 26 January 2008	**Restated** * Group 52 weeks ended 27 January 2007	**Restated** * Company 52 weeks ended 27 January 2007
	£'000	£'000	£'000	£'000
Cash generated from operations				
Profit for the period	15,242	8,605	14,416	4,527
Adjusted for:				
Income tax expense	6,815	-	5,634	4
Depreciation	4,807	-	3,981	-
Loss on disposal of property, plant & equipment	184	-	63	-
Share option charge	234	26	332	55
Net finance gains / (losses)	217	(73)	(125)	(70)
Net change in cash flow hedges	341	-	(83)	-
Share of profit in joint venture	(10)	-	-	-
Increase in non-current prepayments	(789)	-	-	-
Increase in inventories	(1,449)	-	(4,714)	-
(Increase) / decrease in trade and other receivables other receivables	(3,050)	1,051	903	(1,471)
Increase / (decrease) in trade and other payables other payables	1,324	(3)	(554)	(4)
Interest paid	(344)	-	(64)	(27)
Income taxes paid	(4,068)	(1)	(5,873)	(6)
Net cash generated from operating activities	19,454	9,605	13,916	3,008
Cash flow from investing activities				
Purchases of property, plant & equipment	(8,709)	-	(4,970)	-
Proceeds from sale of property, plant & equipment	-	-	26	-
Interest received	171	72	164	97
Net cash from investing activities	(8,538)	72	(4,780)	97
Cash flow from financing activities				
Own shares acquired	(4,936)	(4,936)	(3,438)	(3,438)
Proceeds from option holders for exercise of options	78	78	3,921 *	3,921 *
Increase in intercompany balances	-	-	-	4,053 *
Loan repayment	-	-	(750)	(750)
Dividends paid	(6,421)	(6,421)	(5,335)	(5,335)
Net cash from financing activities	(11,279)	(11,279)	(5,602)	(1,549)
Net increase in cash and cash equivalents	(363)	(1,602)	3,534	1,556
Cash and cash equivalents at 27 January 2007 / 28 January 2006*	13,513	2,584	10,818 *	1,028
Exchange rate movement	(45)	-	(839)	-
Cash and cash equivalents at 26 January 2008 / 27 January 2007	13,105	982	13,513	2,584

Footnote:
* For further details see note 25. These restatements did not result in a change in net increase in cash and cash equivalents at 27 January 2007.

Notes to the Financial Statements

1) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and parent financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation
Both the parent company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRS's'). On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s230 of the Companies Act 1985 not to present its individual income statement and related notes that form a part of these approved financial statements.

The consolidated and parent financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments), which are held at fair value.

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Group's significant judgement areas relate to inventory provisions and impairment of assets.

In these financial statements the following adopted IFRS's which are effective for the first time, has had a material effect on the financial statements and so comparatives have been restated accordingly:

- IFRS 7 'Financial Instruments: Disclosures' and the related amendment to IAS 1 'Presentation of Financial Statements' in relation to capital disclosures

- IFRIC 8 'Scope of IFRS 2 share-based payment'

b) Change in accounting policy
The Company has adopted IFRIC 8 for the first time in its financial statements for the period ended 26 January 2008 and retrospectively restated its comparatives per the requirements of IAS 8. The impact of this change in accounting policy in the company financial statements increased the 'cost of investment' in its subsidiary 'No Ordinary Designer Label Ltd' by £1,503,000 for the period ended 27 January 2007 with an equivalent credit to 'other reserves' in equity.

The impact of the adoption has further increased the cost of investment by £208,000 in its subsidiary No Ordinary Designer Label Limited for the period ended 26 January 2008 with an equivalent credit to other reserves in equity. The adoption of IFRIC 8 has had no impact on the consolidated financial statements.

c) Basis of consolidation
The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 26 January 2008. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venturers' unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost.

The consolidated financial statements include the Group's share of the total recognised income and expense and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discounted except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

d) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the values were determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at average foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation since the transition date are recognised directly in a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

e) Revenue recognition

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Retail revenue is recognised when a Group entity sells a product to the customer. Wholesale revenue is recognised when goods are delivered and title has passed. Licence income is recognised on an accruals basis in accordance with the risks and rewards of the relevant agreements. Licence income is classified as other operating income.

f) Leases

Rentals under operating leases are charged as incurred, unless there are pre-determined rental increases in the lease, in which case they are recognised on a straight-line basis over the lease term. Leasehold incentives received are recognised as an integral part of total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

g) Pension costs

Contributions payable to defined contribution schemes in respect of pension costs and other post retirement benefits are charged to the consolidated income statement in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

h) Share based payments

The Group operates an equity settled share based compensation plan. Share based payments are measured at fair value at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions of the options vesting. The fair value is expensed on a straight line basis over the vesting period based on an estimate of shares that will eventually vest. Shares of Ted Baker PLC held by the company for the purpose of filling obligations in respect of employee share plans are deducted from equity in the balance sheet. Any surplus or deficit arising on the sale of the Ted Baker PLC shares held by the company is included as an adjustment to reserves.

Transactions of the Company-sponsored Employee Benefit Trust (EBT) are treated as being those of the Company and are therefore reflected on the parent company and group financial statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises, in its individual financial statements an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

i) Derivatives
The Group holds derivative financial instruments to hedge its foreign currency exposure. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss

j) Taxation
Corporation tax payable is recognised on taxable profits using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is not recognised for temporary differences relating to investments in subsidiaries to the extent they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Income tax comprises current and deferred tax.

k) Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the Group and Company financial statements in the period in which they are declared.

l) Intangible assets
Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

m) Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, on the following bases:

Leasehold improvements:	Straight line over the period of the lease.
Fixtures, fittings and office equipment:	20% to 25% per annum on a straight-line basis apart from computer equipment, which is 33% per annum on a straight-line basis.
Motor vehicles:	25% per annum on a straight-line basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

n) Investments
Investments in subsidiaries by the Company are shown at cost less accumulated impairment losses which are recognised in the income statement.

Other equity financial instruments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as available-for-sale is their quoted bid price at the balance sheet date.

o) Impairment of property, plant and equipment and indefinite life intangible assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Impairment losses are recognised in the income. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying value does not exceed the carrying value that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised in income immediately.

p) Inventories
Inventories and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and inward transportation costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

q) Cash and cash equivalents
Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

r) Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

s) Finance income and expenses
Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

t) Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

u) Financial guarantee contracts
Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

v) Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly incremental costs (net of income taxes) is deducted from retained earnings in equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

w) Accounting standards issued but not adopted
The following adopted IFRS's were available for early application but have not been applied in the financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

- IFRS 8 'Operating Segments' (mandatory for the year commencing on or after 1 January 2009). This is not expected to have any significant impact on the consolidated financial statements.

- IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions' (mandatory for the year commencing on or after 1 March 2007). This is not expected to have a significant impact on the financial statements.

2) Segment information

The revenue and profit before taxation are attributable to the Group's principal activities, the design and contracted manufacture of high quality fashion clothing and related accessories for wholesale and retail customers.

a) Analysis of revenue by brand

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Menswear	79,312	71,359
Womenswear	57,181	48,947
Other	5,738	5,342
	142,231	125,648

b) Primary reporting format – divisional segments

52 weeks ended 26 January 2008	Retail £'000	Wholesale £'000	Total £'000
Revenue	103,036	39,195	142,231
Cost of sales	(36,168)	(23,392)	(59,560)
Gross profit	66,868	15,803	82,671
Operating costs	(55,841)	(10,323)	(66,164)
Operating profit before other operating income	11,027	5,480	16,507
Other operating income			5,635
Operating profit			22,142
Net finance expense			(95)
Share of profit of jointly controlled entity net of tax			10
Profit before taxation			22,057
Income tax expense			(6,815)
Profit for the period			15,242
Segment assets	60,581	21,023	81,604
Investment in Equity Accounted investee			10
Amounts due from Equity Accounted investee			178
Deferred tax assets			336
Total assets			82,128
Segment liabilities	(16,050)	(6,105)	(22,155)
Deferred tax liabilities and income tax payable			(4,261)
Total liabilities			(26,416)
Net assets			55,712
Capital expenditure	8,375	460	8,835
Depreciation	4,579	228	4,807

52 weeks ended 27 January 2007	Restated * Retail £'000	Restated * Wholesale £'000	Total £'000
Revenue	89,187	36,461	125,648
Cost of sales	(31,173)	(20,813)	(51,986)
Gross profit	58,014	15,648	73,662
Operating costs	(48,054)	(9,995)	(58,049)
Operating profit before other operating income	9,960	5,653	15,613
Other operating income			4,436
Operating profit			20,049
Net finance income			1
Profit before taxation			20,050
Income tax expense			(5,634)
Profit for the period			14,416
Segment assets *	52,722 *	20,366 *	73,088
Deferred tax assets *			525
Total assets			73,613
Segment liabilities *	(14,609) *	(5,972) *	(20,581)
Deferred tax liabilities and income tax payable *			(1,751)
Total liabilities			(22,332)
Net assets			51,281
Capital expenditure	4,603	318	4,921
Depreciation	3,724	257	3,981

Wholesale sales are shown after the elimination of inter-company sales of £4,855,000 (2007: £2,801,000).The majority of other operating income relates to licence income for both 2008 and 2007.

* In accordance with IAS 14 'Segment Reporting', segment assets and liabilities do not include current and deferred tax balances. Prior year comparatives have been restated accordlingly.

c) Secondary reporting format – geographical segments by origin

52 weeks ended 26 January 2008	United Kingdom £'000	Other £'000	Total £'000
Revenue	127,901	14,330	142,231
Cost of sales	(53,638)	(5,922)	(59,560)
Gross profit	74,263	8,408	82,671
Operating costs	(58,558)	(7,606)	(66,164)
Operating profit before other operating income	15,705	802	16,507
Other operating income			5,635
Operating profit			22,142
Net finance income			(95)
Share of profit of jointly controlled entity net of tax			10
Profit before taxation			22,057
Income tax expense			(6,815)
Profit for the period			15,242
Segment assets	67,553	14,051	81,604
Investment in Equity Accounted investee			10
Amounts due from Equity Accounted investee			178
Deferred tax assets			336
Total assets			82,128
Segment liabilities	(20,335)	(1,820)	(22,155)
Amounts due from Equity Accounted investee			(4,261)
Total liabilities			(26,416)
Net assets			55,712
Capital expenditure	6,589	2,246	8,835
Depreciation	4,083	724	4,807

52 weeks ended 27 January 2007	Restated* United Kingdom £'000	Restated* Other £'000	Total £'000
Revenue	114,293	11,355	125,648
Cost of sales	(47,387)	(4,599)	(51,986)
Gross profit	66,906	6,756	73,662
Operating costs	(51,436)	(6,613)	(58,049)
Operating profit before other operating income	15,470	143	15,613
Other operating income			4,436
Operating profit			20,049
Net finance income			1
Profit before taxation			20,050
Income tax expense			(5,634)
Profit for the period			14,416
Segment assets*	62,284 *	10,804 *	73,088 *
Deferred tax assets*			525
Total assets			73,613
Segment liabilities*	(19,509) *	(1,072) *	(20,581) *
Deferred tax liabilities and income tax payable*			(1,751)
Total liabilities			(22,332)
Net assets			51,281
Capital expenditure	4,019	902	4,921
Depreciation	3,285	696	3,981

United Kingdom sales are shown after the elimination of inter-company sales of £4,855,000 (2007: £2,801,000).

Other includes sales arising mainly in the United States. Revenue by destination is not materially different from revenue by geographic origin.

* In accordance with IAS 14 'Segment Reporting', segment assets and liabilities do not include current and deferred tax balances. Prior year comparatives have been restated accordingly.

3) Profit before taxation

Profit before taxation is stated after charging:	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Depreciation	4,807	3,981
Operating lease rentals	10,132	9,238
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6	6
Fees payable to the Company's auditor and associates for the audit of the Company's subsidiaries, pursuant to legislation	67	48
Fees payable to the Company's auditor for other services supplied, pursuant to legislation	17	16
Other services provided by the Company's auditor	1	35
Loss on sale of property, plant & equipment	184	63

4) Finance income and expenses

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Finance income		
- Interest receivable	170	192
- Foreign exchange transactions gains	122	-
	292	192
Finance expenses		
- Interest payable	(387)	(67)
- Foreign exchange transactions losses	-	(124)
	(387)	(191)

5) Staff numbers and costs

The average number of employees (including executive directors) was:

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	No.	No.
Sales	1,328	1,176
Design	33	33
Administration	159	146
	1,520	1,355
Their aggregate remuneration comprised:	£'000	£'000
Wages and salaries	24,539	21,398
Share based payments	234	332
Social security costs	2,255	2,026
Pension costs	369	314
	27,397	24,070

The figures stated above are Group staff costs and as such include the costs for Mr R S Kelvin, who is the only salaried employee of the parent company. Further details of his remuneration may be found in the Directors' Remuneration Report on page 25.

6) Income tax expense

a) The tax charge comprises

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Current tax	6,912	5,952
Deferred tax	39	232
Prior year over provision	(136)	(550)
	6,815	5,634

b) Deferred tax by type

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Property, plant & equipment	(189)	105
Share based payments	88	127
Overseas losses	418	-
Inventory	(160)	-
Other*	(118)	-
	39	232

*For further details please refer to note 13.

c) Factors affecting the tax charge for the period

The tax assessed for the period is higher than the tax calculated at domestic rates applicable to profits in the respective countries. The differences are explained below.

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Profit before tax	22,057	20,050
Profit multiplied by the standard rate in the UK (30%)	6,617	6,015
Effects of:		
Expenses not deductible for tax purposes	430	46
Overseas losses not previously recognised	-	4
Statutory deductions for share options	2	127
Prior year corporation tax items	(894)	55
Prior year deferred tax items	758	(52)
Recognition of overseas losses	-	(553)
Effect of rate change on deferred tax	(63)	-
Difference due to overseas tax rates	22	-
Utilisation of previously unrecognised tax losses	(57)	(8)
Total income tax expense	6,815	5,634

d) Deferred and current tax recognised directly in equity

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Deferred tax credit on share options	192	1,405
Current tax on share options	(112)	(1,382)
	80	23

7) Profit attributable to Ted Baker PLC

The profit after taxation dealt with in the accounts of Ted Baker PLC was £8,605,000 (2007: £4,527,000). The directors have approved the income statement for the parent company.

8) Dividends per share

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
	£'000	£'000
Final dividend paid for prior year of 10.3p per ordinary share (2007: 8.2p)	4,322	3,501
Interim dividend paid of 5.0p per ordinary share (2007: 4.3p)	2,099	1,834
	6,421	5,335

A final dividend in respect of 2008 of 11.4p per share, amounting to a dividend payable of £4,784,244 is to be proposed at the Annual General Meeting on 10 June 2008. .

9) Earnings per share

	52 weeks ended 26 January 2008	52 weeks ended 27 January 2007
Number of shares:	No.	No.
Weighted number of ordinary shares outstanding	42,066,481	42,594,516
Effect of dilutive options	254,711	320,881
Weighted number of ordinary shares outstanding – diluted	42,321,192	42,915,397
Earnings:	£'000	£'000
Profit for the period basic and diluted	15,196	14,421
Basic earnings per share	36.1p	33.9p
Diluted earnings per share	35.9p	33.6p

Own shares held by the Ted Baker Group Employee Benefit Trust and the Ted Baker 1998 Employee Benefit Trust have been eliminated from the weighted average number of ordinary shares. The options exercised during the year and long-term incentive scheme awards distributed were covered by shares held by these Trusts.

Diluted earnings per share have been calculated using additional ordinary shares of 5p each available under the 1997 Unapproved Share Option Scheme, the 1997 Executive Share Option Scheme and the Ted Baker Performance Share Plan.

There were no share related events after the balance sheet date that may affect earnings per share.

10) Intangible assets

	Intangible assets
	£'000
Cost and net book value	
At 27 January 2007	482
Exchange rate movement	61
At 26 January 2008	543

	Intangible assets
	£'000
Cost and net book value	
At 28 January 2006	501
Exchange rate movement	(19)
At 27 January 2007	482

The intangible asset relates to the right to have the leased premises which has a guaranteed residual value. The guaranteed value arises because the next tenant based on current market conditions will pay this amount to the Group. Due to the likelihood that the money will be recoverable, the asset is not amortised.

11) Property, plant and equipment

	Leasehold Improvements	Fixtures, fittings & office equipment	Motor vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 27 January 2007	18,762	20,131	139	-	39,032
Additions	3,296	3,627	-	1,912	8,835
Disposals	-	(514)	-	-	(514)
Exchange rate movement	(29)	97	-	-	68
At 26 January 2008	22,029	23,341	139	1,912	47,421
Depreciation					
At 27 January 2007	7,455	12,315	53	-	19,823
Charge for the year	1,579	3,196	32	-	4,807
Disposals	-	(318)	-	-	(318)
Exchange rate movement	1	47	-	-	48
At 26 January 2008	9,035	15,240	85	-	24,360
Net book value					
At 27 January 2007	11,307	7,816	86	-	19,209
At 26 January 2008	12,994	8,101	54	1,912	23,061

	Leasehold Improvements	Fixtures fittings & office equipment	Motor vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 28 January 2006	17,883	16,797	128	-	34,808
Additions	1,128	3,755	38	-	4,921
Disposals	-	(225)	(25)	-	(250)
Exchange rate movement	(249)	(196)	(2)	-	(447)
At 27 January 2007	18,762	20,131	139	-	39,032
Depreciation					
At 28 January 2006	6,087	10,023	31	-	16,141
Charge for the year	1,420	2,529	32	-	3,981
Disposals	-	(153)	(9)	-	(162)
Exchange rate movement	(52)	(84)	(1)	-	(137)
At 27 January 2007	7,455	12,315	53	-	19,823
Net book value					
At 28 January 2006	11,796	6,774	97	-	18,667
At 27 January 2007	11,307	7,816	86	-	19,209

12) Investments (Company)

a) Subsidiary undertakings

The Company and Group have shares in the following subsidiary undertakings. All of the subsidiaries have been included in the consolidated accounts (*held directly by Ted Baker PLC).

Subsidiary undertaking	Country of incorporation & operation	Principal activity	Holding Ordinary Shares
No Ordinary Designer Label Ltd (formerly Ted Baker Limited)*	UK	Design, wholesale & retail of designer clothing & accessories	100%
Ted Baker Investments (Jersey) Ltd*	Jersey	Investment holding company	100%
Ted Baker Limited	US	Retail of designer clothing & accessories	100%
Ted Baker (New York) Inc	US	Retail of designer clothing & accessories	66%
Ted Baker (France) SARL	France	Retail of designer clothing & accessories	100%

b) Subsidiary undertakings - cost and net book value

	Company
	£'000
At 26 January 2008	16,800
At 27 January 2007 (restated) *	16,592

* Restated following first time adoption of IFRIC 8 "Scope of IFRS 2". For further details see note 1a.

c) Interest in Joint Venture

The Group has a 50% interest in a joint venture with Flair Industries Pty Ltd which is represented by a single store in Melbourne Australia.

	26 January 2008	27 January 2007
	£'000	£'000
Investment in Joint Venture	10	-

The above carrying value represents the initial cost of the investment undertaken, as well as any subsequent change in net assets of the venture as at 26 January 2008.

	26 January 2008	27 January 2007
	£'000	£'000
Amounts due from Equity Accounted investee	178	-

There are no contingent liabilities relating to the Group's interest in the joint venture, and no contingent liabilities of the venture itself. The joint venture's assets, liabilities and profit or loss on 26 January 2008 are as follows:

	26 January 2008	27 January 2007
	£'000	£'000
Non-current assets	270	-
Current assets	28	-
Non-current liabilities	-	-
Current liabilities	(278)	-
Net assets	20	-
Income	388	-
Expense	(368)	-
Profit, net of tax	20	-

13) Deferred tax assets and liabilities

	26 January 2008	27 January 2007
	£'000	£'000
Assets		
Share based payments	278	558
Liabilities		
Property, plant & equipment	(603)	(601)
Other *	(518)	-
Net deferred tax liability	(843)	(43)
Deferred tax asset on foreign operations arising from:		
Foreign losses	11	525
Inventory	160	-
Property, plant & equipment	165	-
	336	525

Recognition of deferred tax assets is based on the generation of future taxable profits that will allow utilisation of losses. Deferred tax assets are only recognised on the foreign losses when these businesses pass their development phase, and as management consider it probable that future taxable profits will be available against which they can be utilised.

The amount of unused cumulative tax losses for which no deferred tax asset has been recognised in the Balance Sheet is £412,000 (2007: £443,000).

* Deferred tax liability recognised for UK tax payable on US operations for which no double tax relief will be available.

14) Inventories

	26 January 2008	27 January 2007
	£'000	£'000
Raw materials and packaging	1,445	1,615
Work in progress	1,259	1,064
Finished goods and goods for resale	26,611	25,146
	29,315	27,825
Cost of inventories recognised as an expense	58,070	50,468
Inventories written down and recognised as an expense in the period	748	517

15) Trade and other receivables

	Group 26 January 2008	Company 26 January 2008	Group 27 January 2007	Company 27 January 2007
	£'000	£'000	£'000	£'000
Trade receivables	10,217	-	8,543	-
Amounts owed by Group undertakings	-	8,710	-	9,757
Other receivables	-	-	-	3
Prepayments and accrued income	3,911	-	3,300	-
	14,128	8,710	11,843	9,760

16) Derivative financial instruments

	Assets 26 January 2008	Liabilities 26 January 2008	Assets 27 January 2007	Liabilities 27 January 2007
	£'000	£'000	£'000	£'000
Forward foreign exchange contracts	603	378	216	307

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates that arise on the normal course of the Group's business.

The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to a loss of £nil (2007: £nil).

Gains and losses in equity of forward exchange contracts at 26 January 2008 will be released to the income statement at various dates within 12 months of the balance sheet date, as the hedged forecast transactions occur.

17) Reconciliation of cash and cash equivalents per balance sheet to cash flow statement

	Group 52 weeks ended 26 January 2008	Company 52 weeks ended 26 January 2008	Group 52 weeks ended 27 January 2007	Company 52 weeks ended 27 January 2007
	£'000	£'000	£'000	£'000
Cash and cash equivalents per cash flow statement / balance sheet	13,105	982	13,513	2,584

18) Trade and other payables

	Group 26 January 2008	Company 26 January 2008	Restated Group 27 January 2007	Company 27 January 2007
	£'000	£'000	£'000	£'000
Trade payables	13,361	-	11,770	-
Accruals and deferred income	4,264	1	4,944	4
Other taxes and social security *	4,152	-	3,560	-
	21,777	1	20,274	4

* For further details see note 25.

19) Borrowings

Commited borrowing facilities of £13,000,000 (2007: £9,000,000) and a loan facility of £Nil (2007: £2,000,000) were available to the Group at 26 January 2008 in respect of which all conditions precedent have been met.

At 26 January 2008, the borrowing facilities were unutilised (2007: unutilised) and the loan was unutilised (2007: £ unutilised). The borrowing facility reduces to £10,000,000 on 1 February 2008 and expires on 30 August 2008.

20) Capital and reserves

	26 January 2008	27 January 2007
	£'000	£'000
Authorised – 80,000,000 ordinary shares of 5p each	4,000	4,000
Allotted, called up and fully paid – 43,198,033 ordinary shares of 5p each (2007: 43,198,033)	2,160	2,160

At 26 January 2008, the Ted Baker Group Employee Benefit Trust ("Employee Trust") and the Ted Baker 1998 Employee Benefit Trust ("1998 Trust") did not hold any ordinary shares in Ted Baker PLC (2007: "Employee Trust"- £Nil, "1998 Trust"- £Nil).

The Company acquired 830,807 treasury shares, (2007: 700,000) and disposed of 149,828 treasury shares (2007: £1,160,000) in the 52 weeks ended 26 January 2008.

The Company held 1,230,979 shares in treasury at 26 January 2008 (2007: 550,000).

Other Reserves and retained earnings
Other Reserves and retained earnings include the following reserve accounts:

Available for sale reserve
Financial instruments classified as being available for sale are stated at fair value, with any resultant gain or loss being recognised in equity. At 26 January 2008, the fair value of for sale financial instruments held by the Group was £Nil (2007: £Nil)

Hedging reserve
The effective portion of financial instruments that are designated as hedging instruments and are documented as part of an effective hedge of future cash flows are recognised directly in equity and recycled to the income statement when the underlying cash flows occur, or are no longer expected to occur. At 26 January 2008, the value of financial instruments that are designated as hedging instruments recorded in equity was £251,000 (2007: £90,000).

Translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the Group's financial statements of foreign operations, as well as from the translation of liabilities post transition to IFRS.

Other reserves - Company
This reserve relates to the premium on equity consideration used in the acquisition of a subsidiary, No Ordinary Designer Label Limited, by Ted Baker PLC in 1997, which is classified within Other Reserves under section 133 Companies Act 1985. This reserve also includes share options granted to subsidiary employees as required under IFRIC 8 (see note 1h).

21) Share based payments

Equity settled awards are granted to employees in the form of share options or share awards. Share options are granted at an option price equal to the company share price at the grant date, or at a discount of up to 20% in the case of SAYE share options. No consideration is payable where share awards vest. The vesting period is generally between three and five years and the share options expire between three and ten years after grant. Awards will also expire if the employee leaves the Group prior to the vesting date.

Movements in the number of share options and awards outstanding and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2008	Number of options 2008	Weighted average exercise price 2007	Number of options 2007
At beginning of period	54.5p	757,010	196.9p	2,163,289
Granted during the period	-	139,515	-	379,841
Exercised during the period	52.1p	(149,828)	214.3p	(1,769,750)
Lapsed during the period	207.6p	(43,684)	345.1p	(16,370)
Outstanding at the end of period	35.0p	703,013	54.5p	757,010
Exercisable at end of period	-	120,085	7.3p	257,347

The charge for the year to the income statement amounted to £233,753 (2007: £332,479).Included in the charge for the year is an amount in respect to R S Kelvin who is employed by the Company, amounting to £25,828 (2007: £55,438).

The weighted average share price at the date of exercise of share options exercised duing the year was 613.3p (2007: 508.8p).

Share options and awards outstanding at the end of the period were as follows:

Grant Date	Expiry date	Exercise price	Fair value at grant date	Number of options / awards at 26 January 2008	Number of options / awards at 27 January 2007
25 March 2003		193.5p	42.0p	-	9,750
10 December 2003	31 January 2010	296.0p	91.0p	19,700	45,470
22 April 2004	*	-	397.0p	120,085	247,597
17 November 2004	31 January 2011	361.0p	141.5p	26,699	39,032
17 November 2005	31 January 2012	334.0p	160.0p	27,268	35,320
18 April 2006	*	-	443.5p	212,198	212,198
31 July 2006	*	-	458.8p	157,548	167,643
23 March 2007	*	-	551.5p	139,515	-
				703,013	757,010

* Share awards outstanding at the end of the period do not have an expiry date, but vest by reference to performance over the preceeding three financial years.

The fair value of employee share options and awards were calculated using a Black-Scholes model.

The range of inputs into the Black-Scholes model were as follows:

	At 26 January 2008	At 27 January 2007
Weighted average share price	480.0p	641.5p
Weighted average exercise price	35.0p	54.5p
Risk free interest rate	4.26% - 5.29%	4.26% - 4.77%
Expected life of options	3-5 years	3-5 years
Share price volatility	19.1% - 32.1%	19.1% - 32.1%
Dividend yield	2.24% - 3.19%	2.24% - 3.8%

The share price volatility was determined by calculating the historic volatility of the Group's share price over a time period matching the expected life of the option.

22) Financial commitments

a) Capital commitments
The Group has capital commitments of £3,800,000 at 26 January 2008 (2007: £nil) which were not provided in the financial statements.

b) Operating leases
Total of future lease payments under non-cancellable operating leases are as follows:

	26 January 2008	27 January 2007
	£'000	£'000
Within one year	10,588	8,533
Between one and five years	39,504	32,369
Later than five years	34,582	34,394
	84,674	75,296

The Group leases a number of stores, warehouses and head office facilities under operating leases. The leases are of varied length with the longest lease running until 2029.

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Some lease payments are contingent upon levels of revenue above minimum thresholds. The total amount paid under this contingent element in the year was £10,155,000 (2007: £8,306,000).

c) Pension arrangements
The Group operates a number of defined contribution schemes for senior management and a stakeholder pension scheme for employees, for which the pension cost charge for the period amounted to £ 368,000 (2007: £314,000). Contributions totalling £18,763 (2007: £18,904) are included in other receivables at the year end.

23) Financial instruments and risk management

a) Financial assets and liabilities
The financial assets and liabilities of the Group are as follows:

	26 January 2008	27 January 2007
	£'000	£'000
Trade receivables	10,217	8,543
Derivative financial assets	603	216
Cash and cash equivalents	13,105	13,513
Trade and other payables	(21,777)	(20,274)
Derivative financial liabilities	(378)	(307)

Financial assets and liabilities - Company
The Company holds financial assets of £9,692,000 at the 26 January 2008 (2007: £12,344,000). The Company does not have any significant financial liabilities at 26 January 2008 (2007: £Nil).

b) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. At the balance sheet date, the only significant market risk to the Group arises from foreign currency risk.

The Group operates internationally and is therefore exposed to foreign currency risk primarily on purchases denominated in US dollar and Euro.

The Board reviews and agrees policies for managing exchange rate risks on a regular basis. Where appropriate, the Group uses financial instruments to mitigate these risks. All transactions in derivatives, principally forward exchange contracts, are taken solely to manage these risks. No transactions of a speculative nature are entered into. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's policy is to hedge substantially all the risks of such currency fluctuations by using forward contracts taking into account forecast foreign currency cash inflows and outflows.

The Group's risk management policy is to hedge the vast majority of anticipated cash flows (mainly import and purchases of inventory) in each major foreign currency for the subsequent 12 months. The vast majority of projected purchases in each major currency qualify as 'highly probable' forecast transactions for hedge accounting purposes.

i) The Group's exposure to foreign currency risk is summarised below.

Net monetary assets and liabilities that are not denominated in the Group's functional currency are as follows:

Currency assets and liabilities	Euros	US Dollar	Other
	£'000	£'000	£'000
26 January 2008			
Trade receivables	(609)	(1,313)	-
Trade payables	2,484	1,771	201
Gross balance sheet exposure	1,875	458	201
Estimated forecast sales	(5,195)	(6,877)	-
Estimated forecast purchases	10,517	19,342	-
Total Balance Sheet exposure	7,197	12,923	201
Forward exchange contracts	(5,195)	(12,481)	-
Net exposure	2,002	442	201

The following exchange rates were applied:		
	Average rate	Mid-spot rate
US Dollar	2.003	1.979
Euro	1.450	1.348

Sensitivity analysis:
The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening or weakening in sterling against all other currencies, from the rates applicable at 26 January 2008. This analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2007.

The amounts generated from the sensistivity analysis are estimates of the impact of market risk assuming that specified changes occur.

A 10 percent strengthening of the sterling against the following currencies at the 26th January 2008 would have increased (decreased) equity and profit or loss by the amounts shown below.

A 10 percent weakening of the sterling against the above currencies at the 26 January 2008 would have had the equal but opposite effect on the above currencies to the amounts shown below, on the basis that all other variables remain constant.

Sensitivity analysis		Euros	US Dollar
Test of 10% strengthening in sterling against other currencies			
Equity	£'000	(58)	85
Profit or loss	£'000	(26)	(32)
		(84)	53

Currency assets and liabilities	Euros	US Dollar	Other
	£'000	£'000	£'000
27 January 2007			
Trade receivables	(406)	(631)	-
Trade payables	1,508	1,537	113
Gross balance sheet exposure	1,102	906	113
Estimated forecast sales	-	(4,150)	-
Estimated forecast purchases	5,531	14,491	-
Total balance sheet exposure	6,633	11,247	113
Forward exchange contracts	(3,951)	(11,921)	-
Net exposure	2,682	(674)	113

The following exchange rates were applied:		
	Average rate	Mid-spot rate
US Dollar	1.858	1.960
Euro	1.470	1.519

Sensitivity analysis			
Test of 10% strengthening in sterling against other currencies			
Equity	£'000	(30)	101
Profit or loss	£'000	(39)	(1)
		(69)	100

ii) Exposure to interest rate risk

The interest rate profile of the financial assets and liabilities of the Group are as follows:

Financial assets subject to interest rate risk	26 January 2008	27 January 2007
	£'000	£'000
Sterling	10,177	10,623
US Dollar	1,531	2,588
Euro	1,336	126
Other	20	137
	13,064	13,474

There were no fixed rate financial assets at 26 January 2008 or 27 January 2007. Financial assets on which no interest is received are due on demand. Floating rate financial assets attract interest based on local base interest rates. There were no financial liabilities subject to interest rate risk at 26 January 2008 and 27 January 2007.

c) Credit risk:
Credit risk arises on credit exposure to wholesale customers including outstanding receivables and committed transactions. However, this risk is substantially mitigated by insurance being taken out up to the amount of the credit limit.

All new wholesale customers are checked against appropriate trade references and detail such as frequency/delinquency. The limits applied to each customer are set in conjunction with our credit insurer's advice. Monitoring of credit limits is undertaken on a daily basis.

No credit limits were exceeded in the reporting period and management does not expect any future losses from non-performance to arise.

d) Liquidity risk:
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at entity level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements. The Group does not anticipate any refinancing issues.

The table below analyses the Group's financial liabilities and net - settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1-2 years	Between 2 -5 years	Over 5 years
At 26 January 2008				
Derivative financial instruments	378	-	-	-
Trade and other payables	21,656	93	28	-
Forward foreign exchange contracts -cash flow hedges				
Outflows	17,676	-	-	-
Inflows	-	-	-	-
At 27 January 2007				
Derivative financial instruments	307	-	-	-
Trade and other payables	20,170	80	24	-
Forward foreign exchange contracts -cash flow hedges				
Outflows	14,872	-	-	-
Inflows	-	-	-	-

e) Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

From time to time the Group purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Group's share option programme. Buy and sell decisions are made on a specific transaction basis by the Board, the Group does not have a defined share buy-back plan.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

f) Fair Values:

	26 January 2008 carrying amount	26 January 2008 fair value	26 January 2007 carrying amount	26 January 2007 fair value
Trade receivables	10,217	10,217	8,543	8,543
Derivative financial assets	603	603	216	216
Derivative financial liabilities	(378)	(378)	(307)	(307)
Cash and cash equivalents	13,105	13,105	13,513	13,513
Trade and other payables	(21,777)	(21,777)	(20,274)	(20,274)
	1,770	1,770	1,691	1,691

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Derivatives
The fair values of forward exchange contracts are based on their listed market price.

Non-derivative financial liabilities
The carrying amount of the Group's current liabilities are assumed to approximate their fair values.

Trade and other receivables
The carrying amounts less impairments are assumed to approximate the fair values.

Trade and other payables
The carrying amounts less impairments are assumed to approximate the fair values.

24) Related Parties

The Company has a related party relationship with its directors and executive officers.

Directors of the Company and their immediate relatives control 39 per cent of the voting shares of the Company.

At the 26 January 2008, the main trading company owed the parent company £8,710,000 (2007: £9,757,000). The main trading company was owed £12,921,000 (2007: £10,779,000) from the other subsidiaries within the Group.

Transactions between subsidiaries were priced on an arms length basis.

The Group has a 50% interest in a joint venture. As at 26 January 2008, the joint venture owed £178,000 to the main trading company (2007: £nil). The value of sales made to the joint venture by the Group was £252,000 in the period 26 January 2008.

The Group considers the Board of executive directors as key management. Further details are provided in the Remuneration Report.

25) Prior year restatements

Statement of changes in equity – Group and Company

The following presentational changes have been made within the 2008 Group and Company's statements of changes in equity, 2007 comparatives have been restated accordingly. Amounts previously shown as 'movements in respect of treasury shares', 'movements in respect of own shares' and 'disposal of own shares' have been reclassified under the following 3 lines:

- Own shares acquired,
- Transfer of treasury shares from Ted Baker PLC to the Employee Benefit Trust ("EBT") and;
- Disposal of own shares

Section 162F of the Companies Act 1985 requires amounts received for treasury shares that are in excess of the cost to be recognised as share premium. Although the amounts received by the group on the sale of these shares in satisfaction of share options exercised in the year ended 27 January 2007 were less than the original cost of the treasury shares, the transfer of shares between Ted Baker Plc and the Employee Benefit Trust was at an amount greater than the original cost and therefore resulted in share premium arising. An amount of £1,024,000 has therefore been reclassified from retained earnings to share premium.

These reclassifications did not result in a change in shareholders funds at 27 January 2007.

Group and Company Balance Sheets

The presentation of the Group and the Company balance sheets within the 2007/2008 financial statements is consistent with the one presented in the 2006/2007 financial statements except where noted below. Prior year comparatives have been restated accordingly:

- An amount of £3,560,000 in respect of 'other taxes and social security' has been reclassified from 'income tax payable' to 'trade and other payables' for the year ended 27 January 2007 in accordance with IAS 1.
- An amount of £1,024,000 has been reclassified from 'retained earnings' to 'share premium account' for the year ended 27 January 2007 as explained above.

These reclassifications did not result in a change to either net assets or shareholders funds at 27 January 2007.

Group and Company Cash Flow Statements

The presentation of the Group and the Company cash flow statements within the 2007/2008 financial statements is consistent with the one presented in the 2006/2007 financial statements except where noted below. Prior year comparatives have been restated accordingly:

- Amounts previously shown as 'proceeds from issue of ordinary shares' 'sale of own shares', 'shares vested and disposal of own shares' have been reclassified as '"proceeds from option holders for exercise of options" and " increase in inter-company balances"' in accordance with IAS 7.
- An amount of £750,000 previously separately presented as 'loan repayment' in the movement of cash and cash equivalents between the year ended 28 January 2006 and 27 January 2007 has now been aggregated with the brought forward balance as this amount was the opening balance of long term borrowings at 27January 2007 and was incorrectly netted off against cash and cash equivalents.

The restatements above did not result in a change in the "net cash movement" for the period as disclosed in the cash flow statement on 27 January 2007.

Five Year Summary

	Restated UK GAAP 53 weeks ended 31 January 2004	IFRS 52 weeks ended 29 January 2005	IFRS 52 weeks ended 28 January 2006	IFRS 52 weeks ended 27 January 2007	IFRS 52 weeks ended 26 January 2008
	£'000	£'000	£'000	£'000	£'000
Results					
Revenue	88,842	105,753	117,832	125,648	142,231
Operating profit	14,260	16,405	18,334	20,049	22,142
Profit before tax	13,909	16,252	18,354	20,050	22,057
Profit for the period	9,579	11,368	12,919	14,416	15,242
Assets Employed					
Property, plant and equipment	14,410	17,346	18,667	19,209	23,061
Non-current assets	-	1,073	2,220	1,007	1,738
Net current assets / (liabilities)	14,540	19,161	22,035	31,108	31,756
Non-current liabilities	(4,000)	(750)	(750)	(43)	(843)
Provisions for liabilities and charges	(480)	-	-	-	-
Net Assets	24,470	36,830	42,172	51,281	55,712
Financed by					
Shareholders' funds	24,531	36,870	42,224	51,338	55,723
Minority interest	(61)	(40)	(52)	(57)	(11)
	24,470	36,830	42,172	51,281	55,712
Key Statistics					
Basic earnings per share	22.7p	26.8p	30.6p	33.9p	36.1p
Diluted earnings per share	22.2p	26.2p	29.7p	33.6p	35.9p
Dividends per share	9.6p	10.8p	12.1p	14.6p	16.4p
Dividend cover	2.4 times	2.5 times	2.5 times	2.3 times	2.2 times
Return on capital employed	74.3%	59.9%	60.0%	53.8%	51.2%

Notice of Meeting

Notice is hereby given that the 2008 Annual General Meeting of Ted Baker PLC will be held at The Ugly Brown Building, 6a St. Pancras Way, London, NW1 0TB on 10 June 2008 at 11.00 a.m. when the following business will be transacted:

Ordinary Business

1. To receive, and if thought fit, to adopt the directors' report and accounts for the 52 weeks ended 26 January 2008 with the report of the auditors thereon.
2. To approve the remuneration report of the directors set out in the report and accounts for the 52 weeks ended 26 January 2008.
3. To declare a final dividend on the Ordinary Shares.
4. To re-elect Mr L.D.Page as a director of the Company.
5. To re-elect Mr R.Breare as a director of the Company.
6. To re-elect M D.Hewitt as a director of the Company.
7. Allotment of shares: To consider, and if thought fit, pass the following resolution as an Ordinary Resolution: "That the directors be and are hereby authorised in accordance with and subject to the terms of Article 5 of the Company's Articles of Association to allot relevant securities up to an aggregate nominal amount of £719,967."
8. To re-appoint KPMG Audit Plc as auditors to the Company.
9. To authorise the directors to determine the auditors' remuneration.
10. Disapplication of pre-emption rights: To consider, and if thought fit, pass the following resolution as a Special Resolution:

"That subject to Resolution 7 set out in the Notice of Annual General Meeting convening this meeting being passed and pursuant to and in accordance with the authority thereby granted, the directors be and are hereby empowered pursuant to Section 95 of the authority and sell relevant shares (as defined in Section 94 of the Act) held by the Company as treasury shares (as defined in Section 162A of the Act) for cash, as if Section 89(1) of the Act did not apply to any such allotment or sale provided that this power shall be limited:

(A) to the allotment of equity securities and the sale of treasury shares in connection with rights issues, open offers or other pre-emptive offers in favour of holders of equity securities in proportion (as nearly as may be praticable) to their respective holdings of such securities or in accordance with the rights attaching here to (but with such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates or other legal problems under the laws of, or any requirements of, any recognised regulatory body or any stock exchange, in any territory or as regards shares held by an approved depository or in issue in uncertificated form or otherwise howsoever); and

(B) to the allotment of equity securities and the sale of treasury shares (otherwise than pursuant to sub-paragraph (A) above) up to an aggregate nominal value of £107,995;

Such power shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred hereby had not expired."

By order of the Board – C.F. Anderson - Secretary, 7 May 2008.
Registered Office – The Ugly Brown Building, 6a St. Pancras Way, London, NW1 0TB.

Notes:

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend and vote at the Annual General Meeting. A member so entitled may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. A form of proxy is enclosed with this notice for use in connection with the business set out above. To be valid, the form of proxy and any power of attorney or other authority under which it is signed must be lodged with the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for the holding of the Meeting.

3. Completion and return of a proxy does not preclude a member from attending and voting at the meeting.

4. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members of the Company as at 5.00 p.m. on 8 June 2008 shall be entitled to attend or vote at the above Annual General Meeting in respect of the number of shares registered in their name at the time.Changes to entries on the Register of Members after that time will be disregarded in determining the rights of the person to attend or vote at the meeting.

5. The amount of relevant securities for which authority to allot is sought under Resolution 7 represents 33.3 per cent. of the total ordinary share capital in issue of the Company and the amount of equity securities for which disapplication of pre-emption rights is sought under resolution 10 (B) represents 5 per cent. of the total ordinary share capital in issue of the Company.

6. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.

7. In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that:

   (a) if a corporate member has appointed the Chairman of the Annual General Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Annual General Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote or withhold a vote as corporate representative in accordance with those directions; and

   (b) if more than one corporate representative for the same corporate member attends the Annual General Meeting but the corporate member has not appointed the Chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

   Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (a) above. The Institute of Chartered Secretaries and Administrators recommends the use of multiple proxies wherever possible in favour of corporate representatives.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (formerly CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA 10) by no later than

11.00 a.m. on 8 June 2008. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

Form of Proxy

I/We ....

Of ....

being (a) member(s) of Ted Baker PLC HEREBY APPOINT the Chairman of the meeting or (see note 2)

....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at The Ugly Brown Building, 6a St Pancras Way, London, NW1 OTB on 10 June 2008 at 11.00 a.m. and at any adjournment thereof.

SIGNED 2008

Name in full (BLOCK CAPITALS) ....

Initials and surnames of joint holders (if any)

Name .... Name ....

Name .... Name ....

Please indicate with an X in the space below how you wish your votes to be cast. On receipt of this form duly signed, but without specific directions and in respect of any other motion (including a motion to adjourn), the proxy will exercise his discretion as to how he votes and as to whether or not he abstains from voting.

			For	Against
Resolution 1	–	To approve the report and accounts		
Resolution 2	–	To approve the remuneration report		
Resolution 3	–	To declare a final dividend		
Resolution 4	–	To re-elect Mr L.D. Page as a director		
Resolution 5	–	To re-elect Mr R.Breare as a director		
Resolution 6	–	To re-elect Mr D.Hewitt as a director		
Resolution 7	–	To authorise the directors to allot relevant securities		
Resolution 8	–	To re-appoint KPMG Audit Plc as auditors		
Resolution 9	–	To authorise the directors to determine the auditors’ remuneration		
Resolution 10	–	To disapply the statutory pre-emption rights		

Notes:

1. To be effective this form of proxy and the power of attorney or other authority (if any) under which it is signed must be lodged at the office of the registrars of the Company (Capita Registrars, at the address printed below) not later than 48 hours before the meeting or any adjournment there of. Completion and return of this form of proxy will not prevent you from attending and voting at the meeting in person, should you so wish.

2. The Chairman of the meeting has been inserted as willing to act as proxy for members unable to be present in person, but the form may be used for the appointment of any other person by deleting the Chairman of the meeting and inserting the name and address of the person whom it is desired to appoint in the space provided. A proxy need not be a member.

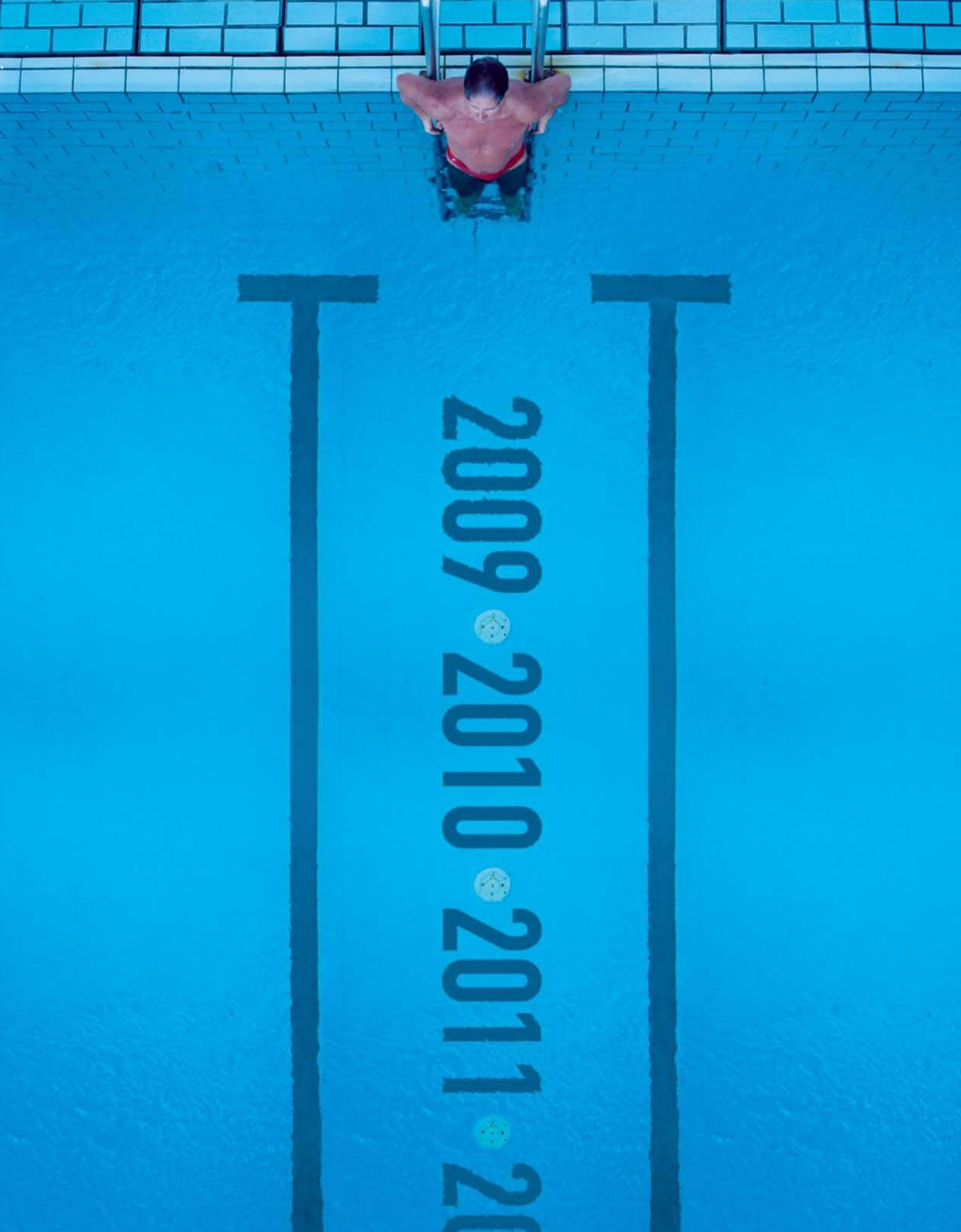
3. Any alteration in this form of proxy should be initialled.

4. If the appointor is a corporation this form of proxy must be under its common seal, or under the hand of any officer or attorney duly authorised on its behalf.

5. In the case of joint holders, the signature of the first named on the Register of Members will be accepted to the exclusion of the directions or votes of the other joint holder(s). If you wish to vote by proxy fill in this form, fold it up, put it into an envelope, then post back to the following address so as to be received by the latest time permitted above: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

6. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy of an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA 10) by no later than 11:00 a.m. on 8 June 2008. Please refer to the notes of the notice of the meetings for further information on proxy appointments through CREST.


2009
2010
2011