TED BAKER
LONDON

2 October 2008

Ted Baker PLC

Interim Results for the 28 weeks ended 9 August 2008

Highlights

- Good first half performance in a difficult trading environment
- Strength of the Ted Baker brand and successful multi-channel distribution strategy continues to drive growth
- Strong performance from retail division with sales up 17.5% to £53.3m
- Launch of second Womenswear only store in South Molton Street, London
- New retail stores opened in Cheapside in London, Heathrow Terminal 5, Belfast and Cambridge
- Wholesale sales down 12.1% to £18.3m as previously outlined
- Strong growth in licence income, up 26.1% to £2.9m

	28 weeks ended 9 August 08	28 weeks ended 11 August 07	Growth	52 weeks ended 26 January 08
Group Revenue	£71.6m	£66.2m	8.2%	£142.2m
Profit Before Tax	£7.4m	£7.0m	5.4%	£22.1m
Basic EPS	12.4p	11.5p	7.8%	36.1p
Interim Dividend	5.25p	5.0p	5.0%	16.4p

Commenting, Ray Kelvin, Founder and Chief Executive, said:
"The Group has performed well during the first half of the year and the strength of the Ted Baker brand combined with our successful multi-channel distribution strategy and careful international expansion has enabled us to deliver good growth for the period in an unpredictable market.

The initial response to our Autumn/Winter collections has been positive. Since the period end we have opened new retail stores in Bristol and Liverpool and look forward to the opening of our two new stores in the White City development in Westfield London.

The Board is, however, mindful of the uncertain economic environment and we remain understandably cautious about trading in the second half of the year. "

Enquiries:

Ted Baker PLC Tel: 020 7796 4133 on 2 October 2008 only
Ray Kelvin, Chief Executive Tel: 020 7255 4800 thereafter
Lindsay Page, Finance Director

Hudson Sandler Tel: 020 7796 4133
Michael Sandler
Kate Hough

High resolution images are available for the media to view and download free of charge from www.vismedia.co.uk.

Notes to Editors

No Ordinary Designer Label

Renowned for his quirky sense of humour and close attention to detail, Ted Baker has grown steadily since his beginnings as a shirt specialist in Glasgow back in 1988. In fact, today Ted Baker is a global lifestyle brand that distributes through its own retail outlets, leading department stores and key independents throughout Europe, USA, Middle East and Asia. Or as the man himself prefers to put it, 'No Ordinary Designer Label.'

Using three distinct channels of distribution – retail, wholesale and licensing – Ted's pursued a policy of considered brand management by: extending the breadth of his collections; controlling distribution channels; and developing his presence within key markets. This approach has seen his offering and reach expand considerably without the essence of the brand being diluted.

His menswear collections blend the finest traditions of English tailoring with contemporary styling. What's more, from the limited edition Global range to Endurance – a fusion of traditional tailoring with 21st century technology and high performance fabrics – and his mainline collection, featuring denim, casual shirts, contemporary suiting, underwear and accessories, he offers something for every occasion.

Elegant and feminine, Ted's womenswear collections are equally as impressive. Spanning dresses, tailoring, jersey, denim, directional knitwear and accessories, they offer a complete Ted to toe look.

Expanding his offering even further, fragrances, footwear, eyewear, watches and lingerie are developed and distributed through licencees – under Ted's watchful eye of course.

Visit Ted's new e-commerce site at www.tedbaker.com

CHAIRMAN'S STATEMENT

I am pleased to report a good first half performance from the Group in a difficult trading environment. This is once again due to the strength of the Ted Baker brand, our dedicated focus on quality, our attention to detail and our multi-channel distribution strategy.

Retail sales rose by 17.5%, as we increased our presence in the UK, and licence income increased by 26.1%. Wholesale sales were 12.1% down reflecting challenging conditions for some of our wholesale customers, the transfer of some wholesale accounts to retail concessions and the actions taken in respect of those customers who are no longer appropriate for our brand.

FINANCIAL RESULTS

Group revenue increased by 8.2% to £71.6m (2007: £66.2m) for the 28 weeks ended 9 August 2008 ("the period") and the composite gross margin was above last year at 58.7% (2007: 56.6%) due to the change in the mix between retail and wholesale sales.

Operating expenses rose by 15.5% to £37.8m (2007: £32.7m). Distribution costs, which mainly comprise the cost of retail stores, outlets and concessions, increased by 17.4% to £27.7m (2007: £23.6m), primarily reflecting the increase in retail space. Administrative expenses increased by 10.8% to £10.2m (2007: £9.2m) principally reflecting the increased activity of our business.

Operating profit was up 2.0% at £7.3m (2007: £7.1m) with profit before tax rising 5.4% to £7.4m (2007: £7.0m). Basic earnings per share increased by 7.8% to 12.4p (2007: 11.5p).

Cash flow from operating activities was £3.4m higher than last year, of which £1.5m reflected an improvement in working capital. Capital expenditure increased by £3.8m compared to last year due to new store openings and refurbishments. Higher dividends paid of £0.5m resulted in a net cash outflow before share buy-backs of £12.3m (2007: £11.4m). Including the cost of share buy-backs, the net cash outflow in the period was £14.3m (2007: £16.4m).

DIVIDENDS

The Board has declared an increased interim dividend of 5.25p per share (2007: 5.0p), payable on the 28 November 2008 to shareholders on the register at the close of business on 31 October 2008.

GLOBAL GROUP PERFORMANCE

RETAIL

The retail division delivered a strong performance with sales growth up 17.5% to £53.3m (2007: £45.4m). The retail gross margin was 64.6% (2007: 64.9%) with an underlying margin slightly ahead of last year, diluted by the effect of three outlet stores that were not open in the comparable period.

Average retail square footage rose by 15% to 175,090 sq.ft (2007:152,249 sq.ft) as we expanded our retail space in the UK and sales per square foot increased by 1.7% to £299 (2007: £294).

WHOLESALE

As anticipated, wholesale sales were 12.1% below last year at £18.3m (2007: £20.8m). We estimate that around half of this decline arose from the actions we have taken in respect of those customers who are no longer appropriate for our brand. The business was also affected by the transfer of some wholesale accounts to retail concessions. The underlying wholesale business continued to perform satisfactorily despite challenging market conditions.

Wholesale gross margins were higher at 41.5% (2007: 38.4%) as a result of an improvement in the underlying margin and changes in the product mix.

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 and lingerie.

Licence income for the period was up 26.1% to £2.9m (2007: £2.3m) and included a full period of contribution from our licensed childrenswear collection exclusive to Debenhams. We are pleased with the performance from our product licences and our territorial licences continue to perform in line with our expectations.

COLLECTIONS

Ted Baker Menswear delivered good growth for the period with sales up 6.9% to £38.9m (2007: £36.4m). Menswear represented 54.3% of total sales (2007: 55.0%).

Ted Baker Womenswear delivered a strong performance for the period with sales up 12.6% to £30.3m (2007: £26.9m). Womenswear represented 42.3% of total sales (2007: 40.6%).

Sales of other collections principally comprising Childrenswear and Footwear were below last year at £2.4m (2007: £2.9m) and represented 3.4% of total sales (2007: 4.4%). Increased footwear sales were offset by a challenging market for premium childrenswear.

UNITED KINGDOM & EUROPE

Our UK and Europe retail division performed well over the period with sales up 18.5% to £48.1m (2007: £40.6m).

Average square footage rose by 15.6% over the period to 147,733 sq.ft. (2007: 127,793 sq.ft). At 9 August 2008, total retail square footage was 154,233 sq.ft (2007: 128,069 sq.ft), representing an increase of 20.4%. Retail sales per square foot increased 2.2% from £312 to £319.

The period saw the opening of our 'Ted Baker and Friends' store on Cheapside, our first store in the City of London which continues to perform well. Further store openings included Heathrow Terminal 5, Belfast, Cambridge and our second standalone store dedicated purely to Womenswear in South Molton Street, London.

At 9 August 2008, we operated 29 stores (2007: 22), 92 concessions (2007: 77) and 10 outlet stores (2007: 8).

US

The performance of our US retail division was satisfactory in a difficult retail trading environment, although conditions worsened in the latter part of the period. Sales increased by 9.4% to $10.5m against $9.6m last year, which in sterling was equivalent to sales up 10.4% to £5.3m (2007: £4.8m) reflecting the strengthening of the dollar. We now have eight stores across the United States and, following its opening in Las Vegas in April, one outlet store.

Average square footage rose by 11.9% over the period to 27,357 sq.ft (2007: 24,456 sq.ft). At 9 August 2008 total retail square footage was up 14.7% on last year at 28,058 sq.ft (2007: 24,456 sq.ft). Retail sales per square foot fell 1.5% from £197 to £194.

MIDDLE EAST, ASIA AND AUSTRALASIA

Over the last two years we have continued carefully to expand the Ted Baker brand across the Middle East and Asia through our territorial licence partners RSH Limited and Li and Fung Group of Companies.

Our 17 stores and concessions in these territories performed in line with our expectations. We continue to work closely with our partners to ensure that the visual merchandising of the stores and the training of the teams reflect the Ted Baker ethos and culture.

In October 2007 we announced the opening of our first store in Melbourne, Australia, through a joint venture with our licence partner in the territory and this continues to trade well.

CURRENT TRADING AND OUTLOOK

Retail

Retail trading at the start of the second half continued in line with recent trends, although trading in the last two weeks has been adversely affected by both the increased economic uncertainty and by unseasonably warm weather in contrast to a period of cold weather last year.

Since the period end we have opened stores in the Cabot Circus development in the centre of Bristol and in the second phase of the Liverpool One development in Liverpool city centre. We are opening two stores in Westfield London, a centre being developed in West London, on 30 October 2008. The second store, located in the luxury village, will be called Ted Baker Pashion and will feature our high end women's designer collection, Langley, and our fashion forward designer suit collection, Phormal.

We have also opened some further concessions, including a number in John Lewis resulting from the transfer of our wholesale business with John Lewis to a concession arrangement. We estimate that closing retail square footage will total some 200,000 sq.ft and that the average for the year will be some 185,000 sq.ft.

Wholesale

We continue to make progress in our wholesale division and expect an improvement in performance in the second half, although this will be offset by the transfer of our wholesale womenswear business with John Lewis Partnership to a concession arrangement. As a result we anticipate wholesale sales for the full year will reflect the trend of the first half.

Licence Income

Despite the challenging market conditions our licencees generally continue to report good progress and remain on track to meet expectations for the second half.

Group Outlook

We remain confident that the Group is well positioned for the medium term and we continue to receive positive feedback from our customers. The Group results for the full year will be dependent on trading in the second half of the financial year and, at this stage, we remain cautious about trading given the uncertain economic environment.

We intend to make our next interim management statement, covering trading since the start of the second half of the financial year, in mid November.

Group Income Statement

For the 28 weeks ended 9 August 2008

	Note	Unaudited 28 weeks ended 9 August 2008	Unaudited 28 weeks ended 11 August 2007	Audited 52 weeks ended 26 January 2008
		£'000	£'000	£'000
Revenue	2	71,616	66,210	142,231
Cost of sales		(29,571)	(28,741)	(59,560)
Gross profit	2	42,045	37,469	82,671
Distribution costs		(27,657)	(23,565)	(48,320)
Administrative expenses		(10,157)	(9,169)	(17,844)
Other operating income		3,021	2,375	5,635
Operating profit	2	7,252	7,110	22,142
Finance income	2, 3	196	66	292
Finance expenses	2, 3	(106)	(161)	(387)
Share of profit of jointly controlled entity, net of tax		52	-	10
Profit before tax	2	7,394	7,015	22,057
Income tax expense	6	(2,147)	(2,174)	(6,815)
Profit for the period		5,247	4,841	15,242
Attributable to:				
Equity shareholders of the parent company		5,271	4,838	15,196
Minority interests		(24)	3	46
Profit for the period		5,247	4,841	15,242
Earnings per share	4			
Basic		12.4p	11.5p	36.1p
Diluted		12.4p	11.4p	35.9p

Group Statement of Changes in Equity - Unaudited

For the 28 weeks ended 9 August 2008

	Share capital	Share premium	Cash flow hedging reserve	Translation reserve	Retained earnings	Total equity attributable to equity shareholders of the parent company	Minority Interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 26 January 2008	2,160	9,137	251	(520)	44,695	55,723	(11)	55,712
Share option charge	-	-	-	-	8	8	-	8
Movement of current/deferred tax on share options	-	-	-	-	(43)	(43)	-	(43)
Effective portion of changes in fair value of cash flow hedges	-	-	380	-	-	380	-	380
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	(185)	-	-	(185)	-	(185)
Exchange rate movement	-	-	-	204	-	204	-	204
Income and expense recognised directly in equity	-	-	195	204	(35)	364	-	364
Profit for the period	-	-	-	-	5,271	5,271	(24)	5,247
Own shares acquired	-	-	-	-	(2,014)	(2,014)	-	(2,014)
Disposal of treasury shares	-	-	-	-	53	53	-	53
Dividends paid	-	-	-	-	(4,799)	(4,799)	-	(4,799)
Balance at 9 August 2008	2,160	9,137	446	(316)	43,171	54,598	(35)	54,563

For the 28 weeks ended 11 August 2007

	Share capital	Share premium* (restated)	Cash flow hedging reserve	Translation reserve	Retained earnings* (restated)	Total equity attributable to equity shareholders of the parent company	Minority Interests	Total equity
	£'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	-	-	-	-	138	138	-	138
Movement of current / deferred tax on share options	-	-	-	-	2	2	-	2
Effective portion of changes in fair value of cash flow hedges	-	-	(1,138)	-	-	(1,138)	-	(1,138)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	398	-	-	398	-	398
Exchange rate movement	-	-	-	(146)	-	(146)	-	(146)
Income and expense recognised directly in equity	-	-	(740)	(146)	140	(746)	-	(746)
Profit for the period	-	-	-	-	4,838	4,838	3	4,841
Own shares acquired (restated) *	-	-	-	-	(4,936)	(4,936)	-	(4,936)
Transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust (restated) *	-	85	-	-	-	85	-	85
Disposal of own / treasury shares (restated) *	-	-	-	-	(7)	(7)	-	(7)
Dividends paid	-	-	-	-	(4,322)	(4,322)	-	(4,322)
Balance at 11 August 2007 (restated) *	2,160	9,137	(830)	(639)	36,422	46,250	(54)	46,196

Footnote:
* For further details see note 12.

Group Balance Sheet

At 9 August 2008

	Note	Unaudited 9 August 2008 £'000	Restated* Unaudited 11 August 2007 £'000	Audited 26 January 2008 £'000
Non-current assets				
Intangible assets		573	496	543
Property, plant and equipment		27,723	20,281*	23,061
Investments in equity accounted investee		62	-	10
Deferred tax assets		401	481	336
Prepayments		843	775*	849
		29,602	22,033	24,799
Current assets				
Inventories		32,969	29,660	29,315
Trade and other receivables		20,899	17,899	14,128
Amount due from equity accounted investee		42	-	178
Derivative financial assets		689	-	603
Cash and cash equivalents	8	6,413	5,780	13,105
		61,012	53,339	57,329
Current liabilities				
Trade and other payables		(24,196)	(17,172)*	(21,777)
Bank overdraft	8	(7,312)	(8,889)	-
Income tax payable		(3,447)	(1,391)*	(3,418)
Derivative financial liabilities		(9)	(890)	(378)
		(34,964)	(28,342)	(25,573)
Non-current liabilities				
Deferred tax liabilities		(1,087)	(834)	(843)
		(1,087)	(834)	(843)
Total liabilities		(36,051)	(29,176)	(26,416)
Net assets		54,563	46,196	55,712
Equity				
Share capital		2,160	2,160	2,160
Share premium account		9,137	9,137*	9,137
Other reserves		446	(1,469)	251
Translation reserve		205	-	(520)
Retained earnings		42,650	36,422*	44,695
Total equity attributable to equity shareholders of the parent company		54,598	46,250	55,723
Minority interests		(35)	(54)	(11)
Total equity		54,563	46,196	55,712

Footnote:
* For further details see note 12. These reclassifications did not result in a change in either shareholders funds or net assets at 11 August 2007.

Group Cash Flow Statement

For the 28 weeks ended 9 August 2008

	Note	Unaudited 28 weeks ended 9 August 2008 £'000	**Restated** * Unaudited 28 weeks ended 11 August 2007 £'000	Audited 52 weeks ended 26 January 2008 £'000
Cash generated from operations				
Profit for the period		5,247	4,841	15,242
Adjusted for:				
Income tax expense		2,147	2,174	6,815
Depreciation		3,047	2,492	4,807
Loss on disposal of property, plant & equipment		1	83	184
Share option charge		8	138	234
Net finance gains		1	72	217
Net change in cash flow hedges		195	(740)	341
Share of profit in joint venture		(52)	-	(10)
Decrease / (increase) in non current prepayments		52	(773)*	(789)
Increase in inventories		(3,472)	(1,934)	(1,449)
Increase in trade and other receivables		(7,204)	(5,603)	(3,050)
Increase / (decrease) in trade and other payables		1,929	(2,689)	1,324
Interest paid		(73)	(74)	(344)
Income taxes paid		(1,954)	(1,556)	(4,068)
Net cash generated from operating activities		(128)	(3,569)	19,454
Cash flow from investing activities				
Purchases of property, plant & equipment		(7,503)	(3,707)	(8,709)
Interest received		59	85	171
Net cash from investing activities		(7,444)	(3,622)	(8,538)
Cash flow from financing activities				
Own shares acquired	10	(2,014)	(4,936)*	(4,936)
Proceeds from option holders for exercise of options		53	78*	78
Dividends paid	5	(4,799)	(4,322)	(6,421)
Net cash from financing activities		(6,760)	(9,180)	(11,279)
Net decrease in cash and cash equivalents		(14,332)	(16,371)	(363)
Cash and cash equivalents at 26 January 2008		13,105	13,513	13,513
Exchange rate movement		328	(251)	(45)
Cash and cash equivalents at 9 August 2008	8	(899)	(3,109)	13,105

Footnote:
* For further details see note 12. These restatements did not result in a change in net increase in cash or cash equivalents at 11 August 2007.

Notes to the Interim Financial Statements
For the 28 weeks ended 9 August 2008

1 Basis of preparation

a. Reporting entity
Ted Baker PLC is a company domiciled in the United Kingdom. The condensed half-yearly financial statements of Ted Baker PLC as at and for the 28 weeks ended 9 August 2008 comprise the Company and its subsidiaries (together referred to as “the Group”).

The Group financial statements as at and for the 52 weeks ended 26 January 2008 are available upon request from the Company’s registered office at Ted Baker PLC, The Ugly Brown Building, 6a St Pancras Way, London NW1 0TB or at www.tedbaker.com.

b. Statement of compliance
These condensed group half-yearly financial statements have been prepared in accordance with “IAS 34 Interim Financial Reporting” as adopted by the EU and the requirements of the Disclosures and Transparency Rules. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group financial statements as at and for the 52 weeks ended 26 January 2008. These condensed group half-yearly financial statements were approved by the Board of Directors on 29 September 2008.

The comparative figures for the 52 weeks ended 26 January 2008 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The results for each half year have not been audited but have been reviewed by the auditors in accordance with the Auditing Practices Board guidance on Review of Interim Financial Information.

c. Significant accounting policies
The accounting policies applied by the Group in these condensed group half-yearly financial statements are the same as those applied by the Group in the group financial statements for the 52 weeks ended 26 January 2008.

2 Segment information

28 weeks ended 9 August 2008 - Unaudited	Retail £'000	Wholesale £'000	Total £'000
Revenue	53,349	18,267	71,616
Cost of sales	(18,882)	(10,689)	(29,571)
Gross profit	34,467	7,578	42,045
Operating costs	(32,228)	(5,586)	(37,814)
Operating contribution	2,239	1,992	4,231
Other operating income			3,021
Operating profit			7,252
Net finance expense			90
Share of profit of jointly controlled entity, net of tax			52
Profit before tax			7,394
Income tax expense			(2,147)
Profit for the period			5,247
Segment assets	68,530	21,579	90,109
Investment in equity accounted investee			62
Amounts due from equity accounted investee			42
Deferred tax assets			401
Total assets			90,614
Segment liabilities	(23,478)	(8,039)	(31,517)
Deferred tax liabilities and income tax payable			(4,534)
Total liabilities			(36,051)
Net assets			54,563
Capital expenditure	7,233	277	7,510
Depreciation	2,935	112	3,047

28 weeks ended 11 August 2007 - Unaudited	Restated* Retail £'000	Restated* Wholesale £'000	Total £'000
Revenue	45,421	20,789	66,210
Cost of sales	(15,945)	(12,796)	(28,741)
Gross profit	29,476	7,993	37,469
Operating costs	(27,031)	(5,703)	(32,734)
Operating contribution	2,445	2,290	4,735
Other operating income			2,375
Operating profit			7,110
Net finance expense			(95)
Profit before tax			7,015
Income tax expenses			(2,174)
Profit for the period			4,841
Segment assets*	51,534*	23,357*	74,891*
Deferred tax assets*			481*
Total assets			75,372
Segment liabilities*	(17,012)*	(7,787)*	(24,799)*
Deferred tax liabilities and income tax payable*			(4,377)*
Total liabilities			(29,176)
Net assets			46,196
Capital expenditure	4,188	294	4,482
Depreciation	2,328	164	2,492

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

52 weeks ended 26 January 2008 - Audited	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 contribution	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 asset			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

3 Finance income and expenses

	Unaudited 28 weeks ended 9 August 2008 £'000	Unaudited 28 weeks ended 11 August 2007 £'000	Audited 52 weeks ended 26 January 2008 £'000
Finance income			
- Interest receivable	106	66	170
- Foreign exchange transactions gains	90	-	122
	196	66	292
Finance expenses			
- Interest payable	(106)	(138)	(387)
- Foreign exchange transactions losses	-	(23)	-
	(106)	(161)	(387)

4 Earnings per share

	Unaudited 28 weeks ended 9 August 2008 No.	Unaudited 28 weeks ended 11 August 2007 No.	Audited 52 weeks ended 26 January 2008 No.
Number of shares:			
Weighted number of ordinary shares outstanding	42,383,945	42,151,897	42,066,481
Effect of dilutive options	157,189	269,329	254,711
Weighted number of ordinary shares outstanding – diluted	42,541,134	42,421,226	42,321,192
Earnings:	£'000	£'000	£'000
Profit for the period, basic and diluted	5,271	4,838	15,196
Basic earnings per share	12.4p	11.5p	36.1p
Diluted earnings per share	12.4p	11.4p	35.9p

5 Dividends per share

	Unaudited 28 weeks ended 9 August 2008 £'000	Unaudited 28 weeks ended 11 August 2007 £'000	Audited 52 weeks ended 26 January 2008 £'000
Final dividend paid for the prior year of 11.4p per ordinary share (2007: 10.3p)	4,799	4,322	4,322
Interim dividend paid 2008: £Nil (2007: £Nil)	-	-	2,099
	4,799	4,322	6,421

The Board has declared an interim dividend of 5.25p per share (2007: 5.0p) payable on the 28 November 2008 to shareholders on the register at the close of business on 31 October 2008.

6 Income tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the 28 weeks ended 9 August 2008 was 29.0% down from 31.0% for the 28 weeks ended 11 August 2007 (52 weeks ended 26 January 2008: 30.9%).

The lower effective rate primarily reflects the reduction in UK taxation from 30% to 28% effective from April 2008. Otherwise, drivers affecting the tax charge for the Group remain broadly consistent with the prior period and we expect the Group's consolidated effective tax rate to remain at around 29%.

7 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 when 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.

The terms and conditions of the grant made during the 28 weeks ended 9 August 2008 are as follows:

Grant date	Type of award	Number of shares	Vesting conditions	Vesting period
4 April 2008	Share award	240,635	Growth in earnings per share over three accounting periods	50% after three years and the balance one year later
4 April 2008	Share option	878,558	Growth in earnings per share over three accounting periods	100% after three years

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

	At 9 August 2008
Share price	414.0p
Exercise price	0 – 414.0p
Risk free interest rate	3.99% - 4.1%
Expected life of awards	3-4 Years
Share price volatility	22.7% - 24.4%
Dividend yield	3.42%

The basis of measuring fair value is consistent with that disclosed in the consolidated financial statements for the 52 weeks ended 26 January 2008.

8 Reconciliation of cash and cash equivalents per balance sheet to the cash flow statement

	Unaudited 28 weeks ended 9 August 2008 £'000	Unaudited 28 weeks ended 11 August 2007 £'000	Audited 52 weeks ended 26 January 2008 £'000
Cash and cash equivalents per balance sheet	6,413	5,780	13,105
Bank overdraft	(7,312)	(8,889)	-
Cash and cash equivalents per cash flow statement	(899)	(3,109)	13,105

9 Interim report

This interim report will be sent by post to all registered shareholders. Copies will be available to the public from the Company Secretary at the registered office: Ted Baker PLC, The Ugly Brown Building, 6a St Pancras Way, London NW1 0TB.

10 Share capital

The Company acquired 500,000 treasury shares (2007: 830,807) and disposed of 133,404 treasury shares (2007: 149,205) in the 28 weeks ended 9 August 2008.

11 Related parties

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

Directors of the Company and their immediate relatives control 40.5 per cent of the voting shares of the Company.

At 9 August 2008, the main trading company owed the parent company £9,281,000 (11 August 2007: £7,815,000, 26 January 2008: £8,710,000). The main trading company was owed £14,718,000 (11 August 2007: £12,012,000, 26 January 2008: £12,921,000) 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 9 August 2008, the joint venture owed £42,000 to the main trading company (11 August 2007: nil, 26 January 2008: £178,000). The value of sales made to the joint venture by the Group was £104,000 in the period to 9 August 2008 (11 August 2007: nil, 26 January 2008: £252,000).

12 Prior year restatements

Statement of changes in equity
The presentation of the Group statement of changes in equity within the 2008/2009 condensed half yearly financial statements is consistent with the one presented in the 2007/2008 condensed half yearly financial statements except where noted below. Prior year comparatives have been restated accordingly.

- Amounts previously shown as ‘purchase of own shares for cancellation (net of sale of own shares)' and ‘movements in respect of own shares’ have been reclassified under the following three lines: 'own shares acquired', 'transfer of treasury shares from Ted Baker PLC to Employee Benefit Trust' and 'disposal of own / treasury 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 28 weeks ended 11 August 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 £85,000 has therefore been reclassified from retained earnings to share premium.

These reclassifications did not result in a change in shareholders funds at 11 August 2007.

Group Balance Sheet
The presentation of the Group balance sheet within the 2008/2009 condensed half yearly financial statements is consistent with the one presented in the 2007/2008 condensed half yearly financial statements except where noted below. Prior year comparatives have been restated accordingly.

- An amount of £2,152,000 in respect of ‘other taxes and social security’ has been reclassified from ‘income tax payable’ to ‘trade and other payables’ for the half year ended 11 August 2007 in accordance with IAS 1.

- An amount of £85,000 has been reclassified from ‘retained earnings’ to ‘share premium account’ for the half year ended 11 August 2007 as explained above.

- An amount of £775,000 has been reclassified from ‘property, plant and equipment’ to ‘prepayments’ for the half year ended 11 August 2007.

These reclassifications did not result in a change to either net assets or shareholders funds at 11 August 2007.

Group Cash Flow Statement
The presentation of the Group cash flow statement within the 2008/2009 condensed half yearly financial statements is consistent with the one presented in the 2007/2008 condensed half yearly financial statements except where noted below. Prior year comparatives have been restated accordingly.

- Amounts previously shown as ‘proceeds from issue of ordinary shares’, 'purchase of own shares', ‘sale of own shares’ and 'shares vested' have been reclassified as 'own shares acquired' and ‘proceeds from option holders for exercise of options' in accordance with IAS 7.

- An amount previously shown as ‘purchases of property, plant and equipment' has been reclassified as 'decrease / (increase) in non-current prepayments' for the half year ended 11 August 2007, as explained above.

The restatements above did not result in a change in the “net cash movement” for the period as disclosed in the cash flow statement at 11 August 2007.

The restatements are consistent with those presented in the results for the year ended 26 January 2008.

Responsibility statement of the directors in respect of the half-yearly financial report

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

(a) The condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the EU;

(b) The interim management report includes a fair review of the information required by DTR 4.2.7R, being an indication of important events that have occurred during the first 28 weeks of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining 25 weeks of the financial year; and

(c) The interim management report includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first 28 weeks of the financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

R S Kelvin Chief Executive	L D Page Finance Director
2 October 2008	2 October 2008

Independent Review Report to Ted Baker PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 9 August 2008 which comprises the Group Income Statement, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.
As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 9 August 2008 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
2 October 2008