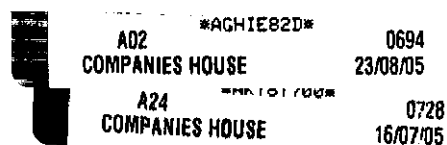




TED BAKER PLC
COMPANY NUMBER: 3393836

FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 JANUARY 2005



Contents Page

2	Chairman's Statement
4	Chief Executive's Review
8	Finance Director's Report
10	Board of Directors
11	Directors' Report
14	Corporate Governance Statements
18	Directors' Remuneration Report
21	Independent Auditors' Report to the members of Ted Baker PLC
26	Consolidated Profit and Loss Account
27	Consolidated Balance Sheet
28	Company Balance Sheet
29	Consolidated Cashflow Statement
30	Notes to the Financial Statements
47	Five Year Summary
48	Notice of Meeting
50	Form of Proxy

Ted's Advisers

Registered Office: The Ugly Brown Building, 6a St Pancras Way, London NW1 0TB

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 0DJ

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 IRG PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Ted Baker PLC - Registered in England no: 3393836

Chairman's Statement

I am delighted to report another set of excellent results characterised by double-digit sales growth in our three divisions: retail, wholesale and licensing, as well as strong profit before tax growth reflecting the strength of the brand. The Ted Baker brand continues to be well received in the United States where we have made further progress this year.

Results

Group turnover increased by 19.0% to £105.8m (2004: £88.8m) for the 52 weeks ended 29 January 2005. Operating profit increased by 18.6% to £16.9m (2004: £14.3m) and profit before tax increased by 20.5% to £16.8m (2004: £13.9m). Basic earnings per share increased by 20.7% to 27.4p per share (2004: 22.7p per share).

Dividends

The Board is pleased to recommend a final dividend of 7.3p per share (2004: 6.4p per share) making a total for the year of 10.8p per share (2004: 9.6p per share) an increase of 12.5% over the previous year and brings the dividend level in line with our targeted dividend cover of two and a half times. The final dividend will be payable on 24 June 2005 to those shareholders on the register on 20 May 2005.

Share Buy-back

In line with market practice, the Company will seek 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, the 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. Your board proposes to seek shareholders' approval for the buy-back authority and the dispensation of Rule 9 to be granted by the Panel on Takeovers and Mergers in a separate Extraordinary General Meeting to be convened as soon as practicable after the Annual General Meeting, subject to first obtaining the Panel on Takeovers and Mergers' approval of the proposed dispensation. Further details of this will be sent out in a letter accompanying the Notice of Extraordinary General Meeting.

Current Trading

We have made a good start to the new financial year with total retail sales ahead by 23.3% for the first six weeks, compared with the same period last year. Wholesale sales are up 15.7% and the phasing of deliveries has been similar to the same period last year. We remain confident of another successful year for the growth and development of our brand.

Robert Breare
Non-Executive Chairman

Chief Executive's Review

I am delighted to report another excellent year for Ted Baker as reflected in our strong turnover and profit growth over the period. The brand performed well in the UK and overseas as we continued to focus on our key strengths of design, product quality and attention to detail. During the period we successfully launched the Endurance store in Covent Garden, London, and opened our 'Best in Show' store in Westbourne Grove, London, and a new 'World of Ted' store in Regent Street, London. In the United States we have continued our careful retail expansion with the opening of two additional stores in San Francisco and Las Vegas.

Retail

The retail division performed strongly during the year with sales growth up 16.9% to £71.7m (2004: £61.3m). The average retail square footage rose by 15.4% over the period to 114,153 sq. ft. (2004: 98,888 sq. ft.). At 29 January 2005, total retail square footage was 129,023 sq. ft. (2004: 103,787 sq. ft.) representing an increase of 24.3%. Retail sales per square foot increased from £620 to £628.

At 29 January 2005, the retail division consisted of 96 retail locations comprising 19 UK stores, 6 overseas stores, 64 concessions and 7 outlet stores. This compares against the previous year where the retail division consisted of 87 retail locations comprising 18 UK stores, 4 overseas stores, 59 concessions and 6 outlet stores.

In the UK, we continue to look for the right retail locations to showcase the Ted Baker brand and the breadth of our collections. During the period we launched our innovative Endurance suit store in Covent Garden, London, which hosts the complete Ted Baker Endurance collection. In August, we opened our 'Best in Show' store in Westbourne Grove, London to carry the most directional pieces of the Ted Baker collections in a prestigious retail environment and in November we relocated our existing Soho store to a new 'World of Ted store' in Regent Street, London. During the period, we also opened stores in Stansted Airport and Guildford. In addition, we opened an outlet store in Cheshire Oaks, the Wirral, and a further six concessions in leading department stores.

In the United States, we continued our expansion strategy with the opening of a store in Union Square in San Francisco in June and in the Forum shops at Caesar's Palace in Las Vegas in October. The initial success of these stores is encouraging and confirms our belief that the Ted Baker brand ethos travels well overseas. Our existing stores in New York and San Jose continue to perform in line with our expectations, while Miami has continued to underperform in the period due to the weakness of the centre in which it operates. We continue to look for suitable store opportunities in the United States.

Wholesale

Our wholesale division performed strongly during the year reflecting continued expansion of our collections and the addition of suitable new trustees for our brand. Sales from the wholesale division rose by 23.8% to £34.1m (2004: £27.5m), reflecting growth both in our established collections, especially Endurance and Ted Baker Jean, and also our newer collections, including Childrenswear and Accessories.

Licence Income

Licence income increased by 28.0% to £3.2m (2004: 53 weeks: £2.5m) reflecting our sustained effort in further developing our product and territorial licences.

In the US, our wholesale licensee, Hartmarx Corporation, made good progress with significant growth being achieved with the top independent stores and department stores, which stock our brand. Whilst the level of licence income generated remains below the guaranteed minimum level at this stage we anticipate that the minimum guarantee will be exceeded within the next two years.

This year saw the first full year of trading from our new sunglasses and ophthalmics licensee, Mondottica Ltd, and we were very pleased with their performance which considerably exceeded our expectations. Our shoe and fragrance licensees both performed well during the year and were in line with our expectations. Both licensees are now looking to develop the US market in light of the increasing profile of the brand there. Our watch licensee also recorded a very strong performance during the year.

The first year of trading for our territorial licence for Australia and New Zealand has been ahead of expectations and a good foundation has been laid for future growth.

Collections

Menswear turnover increased by 25.0% to £57.1m (2004: £45.7m) and Womenswear grew by 13.9% to £41.5m (2004: £36.4m) as we continued to extend the breadth of our ranges. In particular, our Accessories and Jeans collections registered above average growth and our successful Endurance range now includes a washable designer suit, 'The Fish out of Water', which has been well received. Other collections contributed turnover of £7.1m (2004: £6.7m), which represented an increase of 6.4%. This growth particularly reflects the success of our more recently launched Childrenswear and Footwear collections.

Outlook

The current year has started well with both retail and wholesale sales ahead of last year. Following a year of significant expansion of our retail space in the UK and in the United States we are now looking forward to fine-tuning our estate to reflect the most recent developments in the Ted Baker collections. In the UK, we relocated our two Nottingham stores to a larger store shortly before the year end and are particularly pleased with its performance to date. In addition, we plan to open seven new concessions in leading department stores in the first half of the year. We will also continue our careful expansion overseas with the expected opening of our sixth store in the United States, in Los Angeles during the Summer 2005.

Ray Kelvin
Chief Executive

Finance Director's Report

The financial results reflect our continued focus on margin led growth and strong cash management. Our net margin before taxation increased to 15.9% (2004: 15.7%) and opening net funds of £5.8m improved to closing net funds of £8.9m.

Gross Margin

Retail gross margins were slightly above last year at 66.8% (2004: 66.7%) and the wholesale gross margin decreased to 42.6% (2004: 43.1%) reflecting changes in the product mix, particularly the growth of Childrenswear and the development of our Endurance Sport range.

The increase in wholesale sales as a proportion of total sales and the reduction in the composite wholesale gross margin led to a reduction in the composite gross margin to 59.0% (2004: 59.4%).

Operating Expenses

Operating expenses rose by 18.9% to £49.0m (2004: £41.2m). Distribution costs, which include the costs of new retail stores, outlets and concessions increased by 14.6% to £34.4m (2004: £30.0m) which was in line with the increase in average retail selling space. Administration expenses rose by 30.5% to £14.6m (2004: £11.2m) reflecting further investment in our team and infrastructure. During the year we leased an additional floor at the Ugly Brown Building, which will provide sufficient space for the foreseeable future and we continue to strengthen our design, sourcing and merchandising teams. As a result of our successful year the discretionary bonus has also increased significantly.

Interest

The net interest charge during the year was below last year at £0.2m (2004: £0.4m) reflecting continued generation of cash from operations.

Taxation

The tax charge for the year was £5.1m (2004: £4.3m), an effective tax rate of 30.2% (2004: 31.1%). The effective rate was lower mainly as a result of an adjustment in respect of prior periods.

Shareholder Return

Basic earnings per share increased by 20.7% to 27.4p per share (2004: 22.7p per share). Free cash flow per share increased 12.8% from 28.9p to 32.6p and the dividend per share increased by 12.5% from 9.6p to 10.8p.

Cash Flow and Working Capital

Net cash inflow from operating activities was £18.5m (2004: £16.5m) primarily reflecting increased trading and continued tight cash management. Working capital was tightly controlled and increased from £4.5m to £5.7m largely in line with the growth of the business. Stock levels increased by 31.2% as a result of the increase in retail square footage during the year and the growth and phasing of the wholesale business.

Capital expenditure was £7.5m (2004: £4.1m) and largely comprised investment in new retail stores.

Net cash outflow from financing was £2.3m (2004: net cash inflow £0.9m) reflecting the early repayment of our £4.0m loan facility, offset by a new facility for the Ted Baker Group Employee Benefit Trust.

Treasury and Risk Management

The principal risks to the Group arise from exchange rate and interest rate fluctuations. The Board reviews and agrees policies for managing these risks on a regular basis. Where appropriate, the Group uses financial instruments to mitigate these risks. All transactions in derivatives, principally forward foreign exchange contracts, are taken solely to manage these risks. No transactions of a speculative nature are entered into. The most significant exposure to foreign exchange fluctuations relates to purchases in foreign currencies.

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. There has been no change since the year-end to the major financial risks faced by the Group or the Group's approach to the management of those risks.

International Financial Reporting Standards

The Company will be required to adopt International Financial Reporting Standards (IFRS) with effect from its year ending January 2006. The Company has set up a project team to achieve the transition to IFRS to enable it to report under IFRS for the first time when it announces its interim results in 2005. We have performed a high level review of the differences between IFRS and our current accounting policies, and we are now quantifying the financial impacts of convergence with IFRS. We are also looking at the wider implementation aspects. Based on our work to date, we believe that the changes will mainly result in differences to various accounting treatments including dividends, foreign currency hedging, lease incentives and share based payments. It is our intention to restate the year ended 29 January 2005 results on an IFRS basis prior to our interim results, with an explanation of the major changes.

Lindsay Page
Finance Director

Board of Directors

Robert Breare – Non-Executive Chairman (52)

Robert has extensive experience of consumer facing businesses and was formerly a director of Arcadian International Plc. Robert is chief executive of Noble House Group 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 (49) ('Closest Man to Ted')

Ray, the founder of Ted Baker, has worked in the fashion industry for over 32 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 (46)

Lindsay joined Ted Baker as finance director in February 1997. He joined Binder Hamlyn in 1981, became a founder member of the corporate finance department in 1986 and a partner in 1990. Binder Hamlyn subsequently merged with Arthur Andersen in 1994. He is a non-executive director of Actif Group plc.

David Alan Bernstein – Non-Executive (61)

David is non-executive chairman of Blacks Leisure plc, Frank Thomas Limited, Adams Childrenswear Limited and a non-executive director of Wembley National Stadium Limited. Previously he was joint managing director of Pentland Group Plc and chairman of French Connection plc. He is a member of the remuneration, audit and nomination committees. David is an independent director.

David Bruce Hewitt – Non-Executive (72)

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 29 January 2005. The comparative period is for the 53 weeks ended 31 January 2004.

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 13 to the accounts.

Business Review

A review of the Group's activities and prospects is contained in the chairman's statement, the chief executive's review and the finance director's review on pages 4 to 9.

Results and Dividends

The audited accounts for the 52 weeks ended 29 January 2005 are set out on pages 26 to 46. The Group profit for the 52 weeks, after taxation and minority interests, was £11,675,000 (2004, 53 weeks: £9,579,000). The directors recommend a final dividend of 7.3p per ordinary share (2004, 53 weeks: 6.4p) to be paid on 24 June 2005 to ordinary shareholders on the register on 20 May 2005 which, together with the interim dividend of 3.5p (2004, 53 weeks: 3.2p) paid on 26 November 2004, makes a total of 10.8p for the period (2004, 53 weeks: 9.6p).

Directors

Details of the directors' beneficial interests in the shares of the Company and their options are given in note 7 to the accounts. Brief details of the career of each director are set out on page 10.

Lord Stone of Blackheath resigned from the Board on 6 October 2004. Mr R S Kelvin, Mr D A Bernstein and Mr D B Hewitt will retire by rotation at the next annual general meeting and, being eligible, will offer themselves for re-election.

International Financial Reporting Standards

The Company will be required to adopt International Financial Reporting Standards (IFRS) with effect from its year ending January 2006. The Company has set up a project team to achieve the transition to IFRS to enable it to report under IFRS for the first time when it announces its interim results in 2005. We have performed a high level review of the differences between IFRS and our current accounting policies, and we are now quantifying the financial impacts of convergence with IFRS. We are also looking at the wider implementation aspects. Based on our work to date, we believe that the changes will mainly result in differences to various accounting treatments including dividends, foreign currency hedging, lease incentives and share based payments. It is our intention to restate the year ending 2005 results on an IFRS basis prior to our interim results, with an explanation of the major changes.

Substantial Shareholdings

On 16 March 2005, the Company had been notified, in accordance with sections 198 to 208 of the Companies Act 1985, of the following interests in the ordinary share capital of the Company:

Name of Holder		
R S Kelvin	17,337,276	40.3%
Fidelity International Limited	5,099,015	11.9%
Schroder Investment Management Limited	4,467,084	10.4%
Standard Life Investments	1,953,954	4.5%
Legal & General Investment Management	1,495,697	3.5%
Scottish Widows	1,316,305	3.1%

Directors' Interests

The directors who held office at 29 January 2005 had the following interests in the shares of Ted Baker PLC:

	% of share capital	29 January 2005 Beneficial	31 January 2004 Beneficial
R S Kelvin	40.3%	17,337,276	18,587,276
L D Page		293,837	293,837
D B Hewitt		1,666	1,666

No changes took place in the interests of directors between 29 January 2005 and 16 March 2005.

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.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period.

In preparing the financial statements, the directors are required to:

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Creditor Payment Policy

The Group 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 Group 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 48 days (2004, 53 weeks: 49 days). At the year end the Company had no trade creditors.

Donations

During the period, the Group made a charitable donation to the Tsunami appeal in the form of clothing with a cost value of £125,000 (2004, 53 weeks: £nil). There were no political donations (2004, 53 weeks: £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 Consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various 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 their current and future interests.

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. The Group complies with the Producer Responsibility Obligation (Packaging Waste) Regulations 1997 and is a member of the Wastepak Compliance Scheme.

Auditors

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

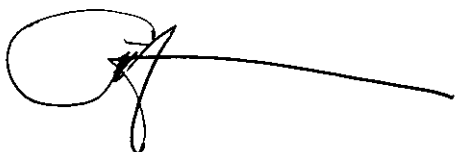
Treasury Shares

The Board may take advantage of the new treasury share regime introduced in December 2003 and may decide to hold any of the shares bought back pursuant to the proposed buy-back authority in treasury. The treasury shares would then be sold for cash, or used to meet the Company's obligations under its employee incentive schemes, or cancelled at a later date. In the opinion of the Board holding shares in treasury would allow for greater flexibility and may save some of the costs associated with the issuing of new shares. In line with the Company's usual practice of seeking disapplication of pre-emption rights in respect of allotments of new shares for cash, your Board will also seek at the Annual General Meeting disapplication of pre-emption rights in respect of future sales of treasury shares for cash.

The report was approved by the Board of Directors on 16 March 2005 and signed on their behalf by:

C F Anderson, Secretary, 16 March 2005.

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

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a long horizontal stroke extending to the right.

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 July 2003 ('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 10.

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. 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 29 January 2005 and the attendance record of each director.

	<i>Board meetings</i>	<i>Audit committee</i>	<i>Remuneration committee</i>	<i>Nomination committee</i>
<i>Number of meetings held in year</i>	11	2	2	-
Robert Breare	11	2	2	-
David A Bernstein	10	2	2	-
David B Hewitt	10	2	1	-
Lord Stone of Blackheath	6	1	1	-
Raymond S Kelvin	11	n/a	n/a	-
Lindsay D Page	11	n/a	n/a	-

Lord Stone of Blackheath resigned from the board on 6 October 2004.

Audit Committee

During the period, Robert Breare was chairman of the audit committee and the other committee members were David Bernstein, David Hewitt and Lord Stone of Blackheath. 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 considers 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 considers 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, David Hewitt and Lord Stone of Blackheath. 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 feedback; and communicating regularly throughout the year. All shareholders can gain 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.co.uk. 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 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 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 affect 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 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.

The Level and Composition of Directors' Remuneration

The Board has shown that it does not pay more than is necessary to attract and retain the directors needed to run the Company successfully as executive directors' remuneration, excluding performance-related incentives, has risen on average by 4.8 per cent per annum over the past two years whereas the Company's earnings per share have risen by 31.2 per cent over the same period.

Procedures for Developing Policy and Fixing Remuneration

During the period, David Hewitt was chairman of the remuneration committee and the other committee members were David Bernstein, Robert Breare and Lord Stone of Blackheath. The Board has shown its commitment to formal and transparent procedures for developing 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 who 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 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.

Mr L D Page served as a non-executive director of Actif Group plc during the period, although he did not retain these earnings. 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 50% 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 in note 7 to the accounts.

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 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 in respect of the Performance Share Plan is usually to base an award to an individual on one times his 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. Mr L D Page has been granted options under this 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. Mr R S Kelvin has been granted options under this plan.

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.

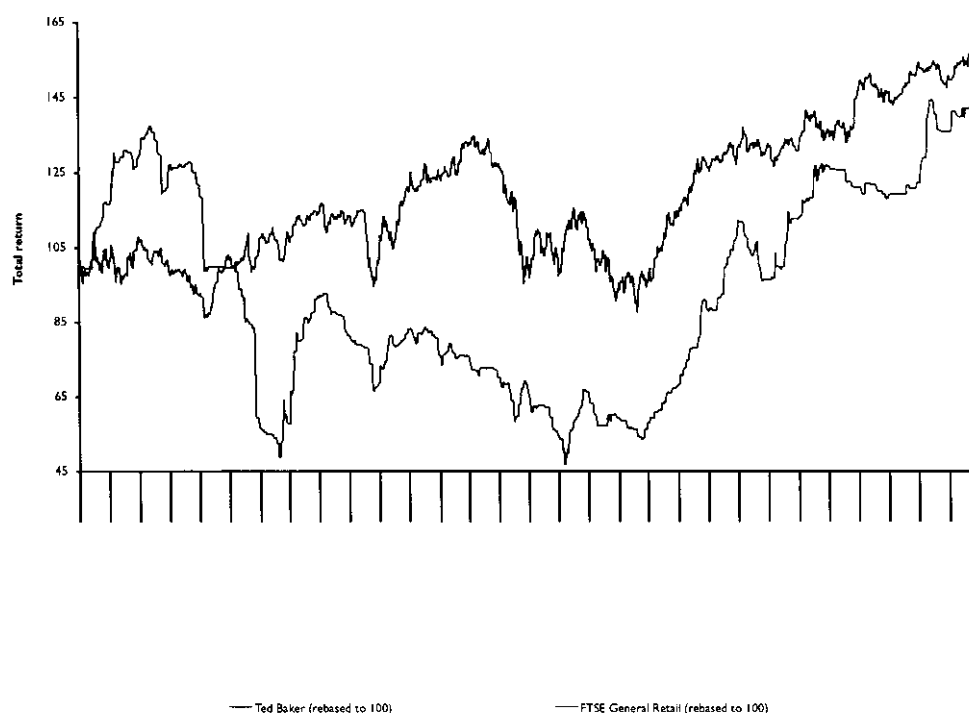
Contracts of Service

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.

	<i>Date of service contact</i>	<i>Un-expired term</i>	<i>Notice period</i>	<i>Provision for compensation</i>
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 S Page	17 July 1997	12 Months	12 Months	None

Total Shareholder Value

The following charts the total cumulative shareholder return of the Company since 1 February 2000.



The index selected was the FTSE General Retailers as it was considered to be the most appropriate comparative against Ted Baker PLC.

Audited information Individual aspects of remuneration

The auditors are required to report on this section of the report. Full details of the remuneration packages of individual directors and information on share options, the long term incentive plan and pension benefits are set out in note 7 to the accounts.

David Hewitt, Chairman of the Remuneration Committee

Independent Auditors' Report to the Members of Ted Baker PLC

We have audited the financial statements on pages 26 to 46. 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 auditors' 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 that we have formed.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report and the directors' remuneration report. As described on page 12, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the Group is not disclosed.

We review whether the corporate governance statement on page 14 to 16 reflects the Company's compliance with the nine provisions of the 2003 FRC code specified for our review by the Listing Rules, 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, including the corporate governance statement and the unaudited part of the directors' remuneration 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.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Group, 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 financial statements give a true and fair view of the state of affairs of the Company and the Group as at 29 January 2005 and of the profit of the Group for the 52 weeks then ended; and
- 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.

KPMG Audit Plc

KPMG Audit Plc Chartered Accountants - Registered Auditor, 8 Salisbury Square, London, EC4Y 8BB

16 March 2005

Financial Statements

Consolidated Profit and Loss Account For the 52 weeks ended 29 January 2005	Notes.	52 weeks ended 29 January 2005	53 weeks ended 31 January 2004
		£'000	£'000
Turnover	2	105,753	88,842
Cost of sales	2	(43,357)	(36,088)
Gross profit	2	62,396	52,754
Other operating expenses (net)	3	(45,481)	(38,494)
Operating profit		16,915	14,260
Interest receivable		68	31
Interest payable	5	(221)	(382)
Profit on ordinary activities before taxation	2,4	16,762	13,909
Tax on profit on ordinary activities	8	(5,066)	(4,333)
Profit on ordinary activities after taxation		11,696	9,576
Minority interest – equity		(21)	3
Profit for the financial year	9	11,675	9,579
Dividends paid and proposed	10	(4,661)	(4,066)
Retained profit for the period	20	7,014	5,513
Earnings per share	11		
Basic earnings per share		27.4p	22.7p
Diluted earnings per share		26.7p	22.2p

Consolidated Statement of Total Recognised Gains and Losses		
For the 52 weeks ended 29 January 2005	£'000	£'000
Profit for the financial year	11,675	9,579
Exchange rate movement	(33)	(283)
Total recognised gains relating to the year	11,642	9,296

The accompanying notes are an integral part of this consolidated profit and loss account.

There are no differences between the Company's historical cost profit and that recorded in the profit and loss account (2004: £nil).

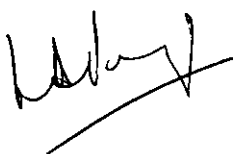
A statement of movements on reserves is given in note 21 to the financial statements. The profit for the current and prior periods was entirely derived from continuing activities. The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated Balance Sheet At 29 January 2005	Notes	29 January 2005	Restated 31 January 2004
		£'000	£'000
Fixed assets			
Tangible assets	12	17,852	14,410
Current assets			
Stocks	14	22,725	17,321
Debtors	15	8,762	7,054
Cash at bank and in hand		9,603	9,811
		41,090	34,186
Creditors: amounts falling due within one year	16	(25,162)	(19,646)
Net current assets		15,928	14,540
Total assets less current liabilities		33,780	28,950
Creditors: amount falling due after more than one year	17	(750)	(4,000)
Provisions for liabilities and charges	18	(623)	(480)
Net assets		32,407	24,470
Capital and reserves			
Called-up share capital	19	2,149	2,131
Share premium	20	6,983	5,358
Profit and loss account	20	23,315	17,042
Equity shareholders' funds	21	32,447	24,531
Minority interests – equity	20	(40)	(61)
Total capital and reserves		32,407	24,470

The accompanying notes are an integral part of this consolidated balance sheet. The financial statements on pages 26-46 were approved by the Board of Directors on 16 March 2005 and signed on its behalf by:

L.D. Page

Director

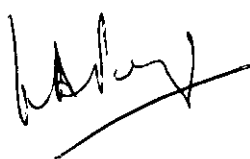


Company Balance Sheet At 29 January 2005	Notes	29 January 2005	Restated 31 January 2004
		£'000	£'000
Fixed assets			
Investments – subsidiary companies	13	15,237	15,237
Current assets			
Debtors	15	11,771	9,098
Cash at bank		1,076	415
		12,847	9,513
Creditors: amounts falling due within one year	16	(3,221)	(2,770)
Net current assets		9,626	6,743
Total assets less current liabilities		24,863	21,980
Creditors: amount falling due after more than one year	17	(750)	-
Net assets		24,113	21,980
Capital and reserves			
Called-up share capital	19	2,149	2,131
Share premium	20	6,983	5,358
Other reserves	20	13,000	13,000
Profit and loss account	20	1,981	1,491
Equity shareholders' funds	21	24,113	21,980

The accompanying notes are an integral part of this balance sheet. The financial statements on pages 26 to 46 were approved by the Board of Directors on 16 March 2005 and signed on its behalf by:

L.D. Page

Director



Consolidated Cashflow Statement <i>For the 52 weeks ended 29 January 2005</i>	<i>Notes</i>	<i>52 weeks ended</i> <i>29 January 2005</i>	<i>Restated</i> <i>53 weeks ended</i> <i>31 January 2004</i>
		<i>£'000</i>	<i>£'000</i>
Net cash inflow from operating activities	22	18,535	16,488
Returns on investments and servicing of finance			
Interest received		59	19
Interest paid		(231)	(367)
Net cash outflow from returns on investment and servicing of finance		(172)	(348)
Taxation			
UK corporation tax paid		(4,344)	(3,843)
Capital expenditure and financial investment	23	(7,566)	(1,915)
Equity dividends paid		(4,250)	(3,743)
Cash inflow before financing		2,203	6,639
Financing			
Loan repayment		(4,000)	-
Increase in debt due after more than one year		750	-
Shares issued		550	1,564
Shares purchased		-	(694)
Sale of own shares		380	7
Net cash (outflow) / inflow from financing		(2,320)	877
(Decrease) / increase in cash in the period	23	(117)	7,516

The accompanying notes are an integral part of this consolidated cashflow statement.

Notes to the Financial Statements

1. **Accounting Policies** – The principal accounting policies applied consistently throughout the year and the prior year are summarised below.

- A. **Basis of Accounting** – The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company's accounting reference date is 31 January and the financial statements are prepared to the last Saturday in January each year.

The Group has implemented Urgent Issues Task Force Abstract 38 'Accounting for ESOP Trusts' (UITF 38) during the year. The comparative results have been restated accordingly and the impact is explained in note 20. In accordance with UITF 38, the consideration paid for the shares held by employee trusts are deducted in arriving at shareholders' funds and are no longer recognised as investments.

- B. **Basis of Consolidation** – The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 29 January 2005. 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 profit and loss account from the date of acquisition or up to the date of disposal. Under section 230 (4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

- C. **Goodwill** – Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 February 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess fair value of the consideration given and any associated costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 February 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, normally 20 years.

On the subsequent disposal or termination of a business acquired since 1 February 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost.

- D. **Tangible Fixed Assets** – Tangible fixed assets are stated at cost, net of depreciation and provision for impairment in value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, on the following bases:

Short Leasehold Properties – 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. Residual value is calculated on prices prevailing at the date of acquisition.

- E. **Fixed Asset Investments** – Fixed asset investments are shown at cost less provision for impairment in value.

- F. Stocks** – stocks 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.
- G. Taxation** - Corporation tax payable is provided on taxable profits at the current rate. Deferred tax is recognised on a full provision basis on all timing differences which have originated but not reversed at the balance sheet date, except as otherwise required by FRS19. Timing differences represent accumulated differences between the Company's taxable profit and its financial profit and arise primarily from the difference between accelerated capital allowance and depreciation. Deferred tax is not discounted.

A deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

- H. Pension Costs and Other Post Retirement Benefits** – Contributions payable to defined contribution schemes in respect of pension costs and other post retirement benefits are charged to the profit and loss account 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.
- I. Employee Share Ownership Plans** – The results and net assets of the Ted Baker Group Employee Benefit Trust and the Ted Baker 1998 Employee Benefit Trust ('Employee Trusts') have been consolidated in the accounts. Shares owned by the Employee Trusts are included in the balance sheet at cost less provisions for permanent diminutions in value.
- J. Foreign Currency** – Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.
- The results of overseas operations are translated at the average rate of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are dealt with through reserves. Where financing of overseas operations is made by long-term loans or deferred trading balances, exchange differences arising on translation are dealt with through reserves.
- K. Turnover** – Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.
- L. Leases** – Rentals under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such basis.

2. Segment Information

The turnover 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.

	52 weeks ended 29 January 2005 £'000	53 weeks ended 31 January 2004 £'000	
a) Analysis of turnover by brand			
Menswear	57,137	45,709	
Womenswear	41,492	36,438	
Other	7,124	6,695	
	105,753	88,842	
b) Classes of business – by divisional activity			
i) 52 weeks ended 29 January 2005	Retail £'000	Wholesale £'000	Total £'000
Turnover	71,669	34,084	105,753
Cost of sales	(23,795)	(19,562)	(43,357)
Gross profit	47,874	14,522	62,396
Common operating costs			(45,481)
Operating profit			16,915
Net interest payable			(153)
Profit before taxation			16,762
Analysis of net assets			
Net assets	18,897	4,657	23,554
Net financial assets			8,853
			32,407
ii) 53 weeks ended 31 January 2004 (restated)	Retail £'000	Wholesale £'000	Total £'000
Turnover	61,321	27,521	88,842
Cost of sales	(20,415)	(15,673)	(36,088)
Gross profit	40,906	11,848	52,754
Common operating costs			(38,494)
Operating profit			14,260
Net interest payable			(351)
Profit before taxation			13,909
Analysis of net assets			
Net assets	14,834	3,825	18,659
Net financial assets			5,811
			24,470

Included within wholesale sale are inter-company sales of £2,567,000 (2004: £912,000).

b) Classes of business – by geographic origin

<i>i) 52 weeks ended 29 January 2005</i>	<i>United Kingdom</i> £'000	<i>Other</i> £'000	<i>Total</i> £'000
Turnover	101,188	4,565	105,753
Cost of sales	(41,603)	(1,754)	(43,357)
Gross profit	59,585	2,811	62,396
Common operating costs			(45,481)
Operating profit			16,915
Net interest payable			(153)
Profit before taxation			16,762
Analysis of net assets			23,554
Net assets	26,288	(2,734)	8,853
Net financial assets			32,407

<i>ii) 53 weeks ended 31 January 2004 (restated)</i>	<i>United Kingdom</i> £'000	<i>Other</i> £'000	<i>Total</i> £'000
Turnover	85,650	3,192	88,842
Cost of sales	(34,874)	(1,214)	(36,088)
Gross profit	50,776	1,978	52,754
Common operating costs			(38,494)
Operating profit			14,260
Net interest payable			(351)
Profit before taxation			13,909
Analysis of net assets			
Net assets	20,974	(2,315)	18,659
Net financial assets			5,811
			24,470

Included within United Kingdom sales are inter-company sales of £2,567,000 (2004: £912,000).

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

3. Other Operating Expenses (net)

	<i>52 weeks ended 29</i> <i>January 2005</i> £'000	<i>53 weeks ended</i> <i>31 January 2004</i> £'000
Distribution costs	34,417	30,044
Administration expenses	14,579	11,169
Other operating income	(3,515)	(2,719)
Other operating expenses (net)	45,481	38,494

4. Profit on Ordinary Activities Before Taxation.

	52 weeks ended 29 January 2005 £'000	53 weeks ended 31 January 2004 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off owned tangible fixed assets	3,451	3,285
Impairment of fixed assets	381	-
Operating lease rentals	7,060	5,485
Auditors' remuneration for group audit services	33	28
Auditors' remuneration for group non-audit services	9	7
Auditors' remuneration for parent company audit services	6	6
Auditors' remuneration for parent company non-audit services	-	-
Loss on sale of fixed assets	152	-

Amounts payable to KPMG Audit Plc in respect of non-audit services relate to review work associated with the interim statement.

5. Interest Payable

	52 weeks ended 29 January 2005 £'000	53 weeks ended 31 January 2004 £'000
Interest payable on bank borrowings	221	382

6. Staff Costs

<i>The average monthly number of employees (including executive directors) was:</i>	52 weeks ended 29 January 2005 No	53 weeks ended 31 January 2004 No
Sales	974	846
Design	25	20
Administration	135	119
	1,134	985
Their aggregate remuneration comprised:	£'000	£'000
Wages and salaries	17,216	14,850
Social security costs	1,789	1,373
Pension costs	216	166
	19,221	16,389

7. Directors' Remuneration, Interests and Transactions – Aggregate Remuneration

<i>The total amounts for directors' remuneration and other benefits were as follows:</i>	<i>52 weeks ended 29 January 2005 £'000</i>	<i>52 weeks ended 31 January 2004 £'000</i>
Emoluments	716	739
Money purchase pension contributions	20	16
	736	755

Directors' Emoluments

	<i>Fees/Basic Salary £'000</i>	<i>Benefits £'000</i>	<i>Performance related bonus £'000</i>	<i>52 weeks ended 29 January 2005 £'000</i>	<i>52 weeks ended 31 January 2004 £'000</i>
<i>Executive</i>					
R S Kelvin	220	8	113	341	364
L D Page	176	1	85	262	275
<i>Non-executive</i>					
R Breare	40	-	-	40	25
D Bernstein	25	-	-	25	25
D B Hewitt	25	-	-	25	25
Lord Stone of Blackheath	23	-	-	23	25
	509	9	198	716	739

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 50% of basic salary. Awards under long-term incentive schemes relate to the Ted Baker Performance Share Plan ('the Plan'). Full details of the Plan are given in the Remuneration Report on Page 18.

Directors' Share Options

The directors who held office at 29 January 2005 had the following options in the shares of Ted Baker PLC:

All options are subject to earnings per share growth in three consecutive accounting periods, details of which may be found in the Directors' Remuneration Report on page 18.

	<i>31 January 2004 No. of shares</i>	<i>Options (exercised) or granted No. of shares</i>	<i>29 January 2005 No. of shares</i>	<i>Option price p</i>	<i>Market price on exercise</i>	<i>Gain on exercise £'000</i>	<i>Earliest date of exercisee</i>	<i>Expiry Date</i>
LD Page	37,000	-	37,000	193.5	-	-	25 March 2006	24 March 2013
LD Page	213,000	-	213,000	245.0	-	-	10 June 2006	9 June 2013
RS Kelvin	250,000	-	250,000	245.0	-	-	10 June 2006	9 June 2013

All options are subject to earnings per share growth in three consecutive accounting periods, details of which may be found in the Directors' Remuneration Report on page 18.

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

	31 January 2004 No. of shares	Options (exercised) or granted No. of shares	29 January 2005 No. of shares	Option price p	Market price on exercise 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

The mid-market price of the ordinary shares at 29 January 2005 was 507.5p and the range during the year was 391.0p to 508.5p. Since 29 January 2005 to 16 March 2005 there have been no changes to the Directors' interests in share options.

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. On 31 July 2001, the Trustees of the Ted Baker 1998 Employee Benefit Trust made the share awards set out below under the Plan for the three years ended 31 January 2004. Diluted earnings per share rose by a compound rate of 18.4 per cent during the three years resulting in 84 per cent of the total award vesting. 50 per cent of the shares vested under the Plan were distributed in the year ended January 2005. The remaining balance will be distributed in the year ending January 2006.

	No. of shares Awarded	No. of shares Vested
R S Kelvin	57,149	48,005
L D Page	40,004	33,603

On 27 April 2004, 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 2007. 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 in the Directors' Remuneration Report on page 18.

	No. of shares Awarded	No. of shares Vested
R S Kelvin	51,487	-
L D Page	38,902	-

Directors' Pensions

One director is a member of the money purchase schemes. Contributions paid by the Company in respect of such director were as follows:

	52 weeks ended 29 January 2005 £'000	52 weeks ended 25 January 2003 £'000
L D Page	20	16

8. Tax on Profit on Ordinary activities

a) The tax charge comprises

UK corporation tax 2005: 30% (2004: 30%)	5,011	3,847
Overseas tax	10	6
Adjustment in respect of prior periods for UK corporation tax	(98)	123
	4,923	3,976
Deferred tax – origination and reversal of timing differences	143	357
	5,066	4,333

b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30.0%). The differences between the standard rate of corporation tax in the UK and the tax charge for the Group are explained below.

Profit on ordinary activities before taxation	16,762	13,909
Corporation tax in the UK of 30.0% (2004: 30.0%)	5,029	4,173
Effects of:		
Expenses not deductible for tax purposes	243	249
Statutory deductions for share option costs	(328)	(701)
Chargeable gain	-	58
Capital allowances in excess of depreciation	(213)	(114)
Foreign losses for which no tax relief is available	308	209
Use of losses brought forward	(18)	(21)
Adjustment in respect of prior periods	(98)	123
Current tax charge for period	4,923	3,976

c) Factors that may affect future years' tax charges

No deferred tax asset has been recognised on the foreign losses while these businesses are in their development phase. A recoverable deferred tax asset will be recognised once the businesses are more established. The amount not recognised is £308,000 (2004, 53 weeks: £209,000).

9. Profit Attributable to Ted Baker Plc

The profit on ordinary activities before taxation dealt with in the accounts of Ted Baker PLC was £4,772,000 (2004, 53 weeks: £4,288,000).

10. Dividends Paid and Proposed

	52 weeks ended 29 January 2005 £'000	53 weeks ended 31 January 2004 £'000
Interim dividend paid of 3.5p per ordinary share (2004: 3.2p)	1,504	1,339
Final dividend proposed of 7.3p per ordinary share (2004: 6.4p)	3,138	2,727
Under provision in prior period	19	-
Total dividend 10.8p (2004: 9.6p)	4,661	4,066

11. Earnings per Share

	52 weeks ended 29 January 2005	53 weeks ended 31 January 2004
Number of shares:	No	No
Weighted number of ordinary shares outstanding	42,375,426	41,909,936
Effect of dilutive options	1,067,613	927,015
Weighted number of ordinary shares outstanding – diluted	43,443,039	42,836,951
Earnings:	£'000	£'000
Profit for the financial year	11,675	9,579
Less: dividends on own shares	(66)	(67)
Profit – basic and diluted	11,609	9,512
Basic earnings per share	27.4p	22.7 p
Diluted earnings per share	26.7p	22.2 p

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. Dividend income received by the Company as a result of holding these own shares has been eliminated from the profit on ordinary activities after taxation and minority interests. The options exercised during the year and long-term incentive scheme awards distributed were of 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.

12. Tangible Fixed Assets

	Short leasehold properties £'000	Fixtures fittings & office equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 January 2004	13,875	10,675	127	24,677
Additions	3,608	3,846	45	7,499
Disposals	(412)	(518)	(49)	(979)
Exchange rate movement	(36)	(14)	(1)	(51)
At 29 January 2005	17,035	13,989	122	31,146
Depreciation				
At 31 January 2004	3,904	6,318	45	10,267
Charge for the year	1,315	2,108	28	3,451
Fixed asset impairment	330	51	-	381
Disposals	(247)	(481)	(48)	(776)
Exchange rate movement	(18)	(11)	-	(29)
At 29 January 2005	5,284	7,985	25	13,294
Net book value				
At 31 January 2004	9,971	4,357	82	14,410
At 29 January 2005	11,751	6,004	97	17,852

13. Fixed Asset Investments

a) Subsidiary undertakings – the Company and the Group have shares in the following subsidiary undertakings:
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 International Ltd	UK	Dormant	100%
+No Ordinary Investments	UK	Dormant	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%
+No Ordinary Card Services Ltd	UK	Processing of card payments	100%

All of the above subsidiaries have been included in the consolidated accounts.

+held directly by Ted Baker PLC

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+No Ordinary Card Services Ltd	UK	Processing of card payments	100%

All of the above subsidiaries have been included in the consolidated accounts.

+held directly by Ted Baker PLC

Subsidiary undertakings: Cost and net book value	Company £'000
At 29 January 2005	15,237
At 31 January 2004	15,237

b) Other investments: Cost and net book value

	Group £'000	Company £'000
At 29 January 2005	-	-
At 31 January 2004	-	-

Other investments relates to 8,793,000 1p ordinary shares in Actif Group plc which is listed on the Alternative Investment Market. At 29 January 2005 the market value of the shares held by the Group was £428,219 (2004, 53 weeks: £725,423).

14. Stocks

	29 January 2005 £'000	31 January 2004 £'000
Raw materials and packaging	1,792	2,160
Work-in-progress	730	805
Finished goods and goods for resale	20,203	14,356
	22,725	17,321

15. Debtors: Amounts Falling due Within one Year

	Group 29 January 2005 £'000	Group 31 January 2004 £'000	Company 29 January 2005 £'000	Company 31 January 2004 £'000
Trade Debtors	6,367	5,029	-	-
Amounts owed by Group undertakings	-	-	11,641	9,064
Other debtors	-	-	-	34
Prepayments and accrued income	2,395	2,025	-	-
	8,762	7,054	11,641	9,098

16. Creditors: Amounts Falling due Within one Year

	Group 29 January 2005 £'000	Group 31 January 2004 £'000	Company 29 January 2005 £'000	Company 31 January 2004 £'000
Trade creditors	9,434	7,708	-	-
Taxation and social security	6,123	3,776	9	3
Accruals and deferred income	6,262	5,173	74	40
Proposed dividends	3,138	2,727	3,138	2,727
	24,957	19,384	3,221	2,770

17. Creditors: Amount Falling due After one Year

	Group 29 January 2005 £'000	Group 31 January 2004 £'000	Company 29 January 2005 £'000	Company 31 January 2004 £'000
Bank Loan	750	4,000	750	-

The bank loan relates to Ted Baker Group Employee Benefit Trust (2004: No Ordinary Designer Label Limited) and is repayable by 30 June 2010.

18. Deferred Taxation

	Group 29 January 2005 £'000	Group 31 January 2004 £'000
Accelerated capital allowances	623	480
		Provided Group £'000
At 31 January 2004		480
Charge to profit and loss account		143
At 29 January 2005		623

19. Called up Share Capital

	29 January 2005 £'000	31 January 2004 £'000
Authorised – 80,000,000 ordinary shares of 5p each	4,000	4,000
Allotted, called up and fully paid – 42,989,801 ordinary shares of 5p each (2004: 41,612,023)	2,149	2,131

During the period, 377,778 ordinary shares of 5p each were issued for a consideration of £1,642,780.

There are no outstanding options under the 1997 Executive Share Scheme to subscribe for ordinary shares of the Company.

20. Share Capital and Reserves

			Reserve for	Other	Profit and	Minority
			own shares	£'000	loss account	interests
			£'000	£'000	£'000	£'000
At 31 January 2004	2,131	5,358	-	18,200	18,200	(61)
Prior period adjustment UITF38	-	-	(1,158)	-	(1,158)	-
At 31 January 2004 as restated	2,131	5,358	(1,158)	18,200	17,042	(61)
Retained profit for the year	-	-	-	7,014	7,014	21
Shares issued	18	1,625	-	(1,093)	(1,093)	-
Shares vested	-	-	380	-	380	-
Gain on sale of own shares	-	-	-	5	5	-
Exchange rate movement	-	-	-	(33)	(33)	-
At 29 January 2005	2,149	6,983	(778)	24,093	23,315	(40)

			Reserve for	Other	Profit and	Other
			own share	£'000	loss account	reserves
			£'000	£'000	£'000	£'000
At 31 January 2004	2,131	5,358	-	2,649	2,649	13,000
Prior period adjustment UITF38	-	-	(1,158)	-	(1,158)	-
At 31 January 2004 as restated	2,131	5,358	(1,158)	2,649	1,491	13,000
Retained profit for the year	-	-	-	105	105	-
Shares issued	18	1,625	-	-	-	-
Shares vested	-	-	380	-	380	-
Gain on sale of own shares	-	-	-	5	5	-
Exchange rate movement	-	-	-	-	-	-
At 29 January 2005	2,149	6,983	(778)	2,759	1,981	13,000

Cumulative goodwill written off to reserves is £Nil (2004: £Nil)

The Ted Baker Group Employee Benefit Trust ("Employee Trust") held 216,430 ordinary shares and the Ted Baker 1998 Employee Benefit Trust ("1998 Trust") held 305,259 ordinary shares in Ted Baker PLC. The Employee Trust holds shares to meet options granted on 25 March 2003 and 10 June 2003 to employees of the Group over 1,750,000 5p ordinary shares under the 1997 Executive Share Option Scheme. Options are exercisable after 25 March 2006 and 10 June 2006, but on or before 24 March 2013 and 9 June 2013. The 1998 Trust holds shares to meet share awards made under the Ted Baker Performance Share Plan.

The market value of the shares owned by the Employee Trust, based on the mid-market price at 29 January 2005 was £1,098,382 (2004: £1,322,088). The market value of the shares owned by the 1998 Trust, based on the mid-market price at 29 January 2005 was £1,549,189 (2004: £1,567,058). Neither the Employee Trust nor the 1998 Trust waived any dividend entitlements during the period.

21. Reconciliations of Movements in Shareholders' Funds

	Group 52 weeks ended 29 January 2005 £'000	Restated Group 53 weeks ended 31 January 2004 £'000	Company 52 weeks ended 29 January 2005 £'000	Restated Company 53 weeks ended 31 January 2004 £'000
Profit for the financial period	11,675	9,579	4,766	4,283
Dividends paid and proposed	(4,661)	(4,066)	(4,661)	(4,066)
Retained profit for the period	7,014	5,513	105	217
Exchange rate movement	(33)	(283)	-	-
Shares purchased	-	(687)	-	(687)
Shares vested	380	-	380	-
Gain on sale of own shares	5	-	5	-
Shares issued	550	1,564	1,643	4,005
Net addition to shareholders' funds	7,916	6,107	2,133	3,535
Opening shareholder funds	24,531	18,424	21,980	18,445
Closing shareholder funds	32,447	24,531	24,113	21,980

Group shareholders' funds at 31 January 2004 were originally £25,689,000 before deducting prior year adjustments totalling £1,158,000 in respect of UITF 38 (see note 1a).

Company shareholders' funds at 31 January 2004 were originally £23,138,000 before deducting prior year adjustments totalling £1,158,000 in respect of UITF 38 (see note 1a).

22. Reconciliation of operating profit to operating cash flows

	52 weeks ended 29 January 2005 £'000	Restated 53 weeks ended 31 January 2004 £'000
Operating profit	16,915	14,260
Impairment of fixed assets	381	-
Depreciation charges	3,451	3,285
Loss on sale of tangible fixed assets	152	-
Increase in stocks	(5,457)	(3,435)
(Increase) / decrease in debtors	(1,554)	264
Increase in creditors	4,647	2,114
Net cash inflow from operating activities	18,535	16,488

23. Analysis of Cash Flows

	52 weeks ended 29 January 2005 £'000	53 weeks ended 31 January 2004 £'000
a) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,527)	(4,131)
Sale of tangible fixed assets	(39)	2,216
Net cash outflow	(7,566)	(1,915)
b) Reconciliation of net cashflow to movement in net funds		
(Decrease) / increase in cash in the period	(117)	7,516
Loan repayment	4,000	-
Increase in debt due after more than one year	(750)	
Cashflow	3,133	7,516
Non-cash movements	5	-
Exchange rate movements	(96)	(483)
Net funds / (debt) at start of period	5,811	(1,222)
Net funds at end of period	8,853	5,811

	Cash exchange rate movement £'000	At 29 January 2005 £'000
c) Analysis of net funds / (debt)		
Cash at bank and in hand	9,811	(117)
Debt due after more than one year	(4,000)	3,250
	5,811	3,133
		5
	(96)	
		9,603
		-
	-	
		(750)
	(96)	
		8,853

24. Financial Commitments

- a) Capital commitments
The Group has capital commitments of £nil at 29 January 2005 (2004, 53 weeks: £nil) which were not provided in the financial statements.
- b) Operating leases
Annual commitments under non-cancellable operating leases are as follows:

Group: Expiry date	29 January 2005 £'000	31 January 2004 £'000
- within one year	69	-
- between two and five years	842	1,083
- after five years	6,557	4,593
	7,468	5,676

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.

- 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 £216,000 (2004, 53 weeks: £166,000). Contributions totalling £27,743 (2004, 53 weeks: £16,719) are included in debtors at the year end. Contributions totalling £nil (2004, 53 weeks: £nil) are included in creditors at the year end.

25. Financial Instruments

Details of financial risk management, treasury policies and use of financial instruments are set out in the Finance Director's Report on page 8.

a) Financial assets

The interest rate profile of the financial assets of the Group is as follows

i) 29 January 2005	Financial assets on which no interest received	Floating rate financial assets	Total
Currency	£'000	£'000	£'000
Sterling	19	7,734	7,753
US Dollar	7	1,411	1,418
Euro	9	180	189
Other	3	240	243
	38	9,565	9,603

ii) 31 January 2004	Financial assets on which no interest received	Floating rate financial assets	Total
Currency	£'000	£'000	£'000
Sterling	17	6,824	6,841
US Dollar	7	2,372	2,379
Euro	4	489	493
Other	4	94	98
	32	9,779	9,811

Financial assets comprise cash and short term deposits. Short term debtors and creditors are excluded. There were no fixed rate financial assets at 29 January 2005 or 31 January 2004.

Financial assets on which no interest is received are due on demand. Floating rate financial assets attract interest based on local prevailing rates.

b) Financial liabilities

The interest rate profile of the financial liabilities of the Group at 29 January 2005 is as follows:

	29 January 2005	31 January 2004
	£'000	£'000
Loan	750	4,000

Both the sterling overdraft and loan bear floating rates of interest linked to the UK base rate.

c) Currency exposure

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

i) 29 January 2005	Functional Currency of operation		
	Sterling £'000	US Dollars £'000	Operation Total
Net foreign currency monetary assets			
Sterling	-	-	-
US Dollar	643	-	643
Euro	68	-	68
Other	458	-	458
	1,169	-	1,169

ii) 31 January 2004	Functional Currency of operation		
	Sterling £'000	US Dollars £'000	Operation Total £'000
Net foreign currency monetary assets			
Sterling	-	-	-
US Dollar	1,529	-	1,529
Euro	377	-	377
Other	76	-	76
	1,982	-	1,982

d) Borrowing facilities

Committed borrowing facilities of £9,500,000 (2004, 53 weeks: £9,000,000) and a loan of £2,000,000 (2004, 53 weeks: £4,000,000) were available to the Group at 29 January 2005 in respect of which all conditions precedent have been met. At 29 January 2005 the borrowing facilities were unutilised (2004, 53 weeks: unutilised) and the loan was drawn down to the level of £750,000 (2004: £4,000,000). The £9,500,000 borrowing facility expires within one year and the £2,000,000 loan expires on 30 June 2010.

The £2,000,000 loan facility is available to the Ted Baker Group Employee Benefit Trust and is guaranteed by No Ordinary Designer Label Ltd.

e) Fair values

There is no material difference between the book value and the fair value of the Group's financial assets and liabilities. An unrecognised loss on forward foreign exchange contracts of £141,919 (2004 loss: £478,706) is expected to be recognised in one year or less.

Five Year Summary

	Restated 52 weeks ended 27 January 2001 £'000	52 weeks ended 26 January 2002 £'000	52 weeks ended 25 January 2003 £'000	Restated 53 weeks ended 31 January 2004 £'000	52 weeks ended 29 January 2005 £'000
Results					
Turnover	46,999	62,095	70,188	88,842	105,753
Operating profit before exceptional costs	8,363	9,955	11,461	14,260	16,915
Profit on ordinary activities before taxation	8,155	9,436	9,485	13,909	16,762
Profit for the financial year	5,673	6,515	6,556	9,579	11,675
Assets Employed					
Fixed assets	11,786	12,167	15,375	14,410	17,852
Net current assets / (liabilities)	(343)	7,571	7,234	14,540	15,928
Creditors: amounts falling due after more than one year	-	(4,000)	(4,000)	(4,000)	(750)
Provisions for liabilities and charges	-	(461)	(123)	(480)	(623)
Net Assets	11,443	15,277	18,486	24,470	32,407
Financed by					
Shareholders' funds	11,380	15,234	18,546	24,531	32,447
Minority interest	63	43	(60)	(61)	(40)
	11,443	15,277	18,486	24,470	32,407
Key Statistics					
Basic earnings per share	13.9 p	15.9 p	15.9 p	22.7 p	27.4 p
Adjusted basic earnings per share	13.9 p	16.5 p	18.6 p	22.7 p	27.4 p
Diluted earnings per share	13.4 p	15.5 p	15.6 p	22.2 p	26.7 p
Dividends per share	7.0 p	7.8 p	8.7 p	9.6 p	10.8 p
Dividend cover	2.0 times	2.0 times	1.8 times	2.4 times	2.5 times
Return on assets	56.2 %	64.8 %	49.8 %	74.3 %	69.2 %

Notice of Meeting

Notice is hereby given that the 2005 Annual General Meeting of Ted Baker PLC will be held at The Ugly Brown Building, 6a St. Pancras Way, London, NW1 OTB on 16 June 2005 at 11:00 am 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 29 January 2005 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 29 January 2005.
3. To declare a final dividend on the Ordinary Shares.
4. To re-elect Raymond Kelvin as a director of the Company.
5. To re-elect David Hewitt as a director of the Company.
6. To re-elect David Bernstein 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 £716,497."
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 Companies Act 1985 ("the Act") to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to such 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 practicable) to their respective holdings of such securities or in accordance with the rights attaching thereto (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 £107,475;

and 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, 11 May 2005. Registered Office – The Ugly Brown Building, 6a St. Pancras Way, London, NW1 OTB.

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 (on a poll) 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 IRG plc, 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 11.00 a.m. on 14 June 2005 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.

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 16 June 2005 at 11.00am and at any adjournment thereof.

SIGNED this day of 2005

Signature

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.

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 Raymond Kelvin as a director	
Resolution 5 –	To re-elect David Hewitt as a director	
Resolution 6 –	To re-elect David Bernstein 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 IRG plc, at the address printed below) not later than 48 hours before the meeting or any adjournment thereof. 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 IRG PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU