Interim Financial Statements 2017/18

Keeping the Brand Healthy

TED BAKER

LONDON

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on the information available to the directors at the time of preparation of this announcement, and will not be updated during the year. The directors can give no assurance that these expectations will prove to have been correct. Due to inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

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DIRECTORS' REPORT

INTERIM FINANCIAL STATEMENTS

Registered Office:	The Ugly Brown Building, 6a St. Pancras Way, London NW1 0TB
Company Secretary:	Charles Anderson ACMA
Financial Advisers and Sponsor:	Liberum Capital Limited, 25 Ropemaker St, London EC2Y 9LY
Auditors:	KPMG LLP, 15 Canada Square, Canary Wharf E14 5GL
Bankers:	Barclays Bank Plc, 1 Churchill Place, London E14 5HP
	The Royal Bank of Scotland Plc, 62-63 Threadneedle Street, London EC2R 8LA
Registrars:	Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Ted Baker Plc – Registered in England number: 03393836

DISTRIBUTION CHANNELS

Ted carefully manages distribution through three main channels:

RETAIL

£217.7M
(13.9% INCREASE)

WHOLESALE

£78.0M
(14.1% INCREASE)

LICENCE INCOME

£9.7M
(23.1% INCREASE)

UK AND EUROPE

42 STORES*

242 CONCESSIONS
16 OUTLETS

NORTH AMERICA

53 STORES*

55 CONCESSIONS*
11 OUTLETS

ASIA

24 STORES*

16 CONCESSIONS
3 OUTLETS

AFRICA

2 STORES*

MIDDLE EAST

33 STORES*

AUSTRALASIA

10 STORES*

...AND WHOLESALE AND LICENSING RELATIONSHIPS IN OVER 35 COUNTRIES ACROSS THE GLOBE.

*Store numbers include licence partner stores, concessions and outlets.

I am pleased to report that Group revenue increased by **14.0%** (9.5% in constant currency[1]) and profit before tax and exceptional items[2] increased by **12.7%** to **£24.2m** (2016: £21.5m) for the 28 weeks ended 12 August 2017 (the "period"). Profit before tax increased by **17.8%** to **£25.3m** (2016: £21.5m). This good performance reflects the strength of the Ted Baker brand and our business model and was achieved despite external factors continuing to impact trading conditions in some of our global markets. In North America, in particular, we continue to experience higher levels of competitor promotional activity and lower international tourism, which have impacted retail sales.

The retail channel performed well, with retail sales (including e-commerce) up 13.9% to £217.7m (9.2% in constant currency[1]). Average retail square footage increased by 4.9%. Our e-commerce business is an integral and increasingly important component within our retail proposition and has performed very well, delivering sales growth of 43.8% (40.7% in constant currency[1]). We continued to invest in our retail channel with considered store openings across all territories and further development of our e-commerce platforms.

Wholesale sales increased by 14.1% (10.2% in constant currency[1]) to £78.0m with a good performance from our UK business and a strong performance from our North American business.

Licence income increased by 23.1% to £9.7m as both our product and territorial licences continued to perform well. During the period, our existing licence partners opened further stores in Australia, Dubai, Kuwait, Lebanon, Mexico, Qatar, Saudi Arabia and Turkey.

In May 2017, we launched the next phase of the Microsoft Dynamics AX system across our UK and European businesses to fully support our retail, e-commerce and wholesale channels. We anticipate completing the final phases of this project by the middle of next year, which will allow us to continue to enhance efficiency, streamline our operations and support the evolution of the business.

We have now successfully completed the transition from our three legacy distribution centres to our single European distribution centre in the UK, which handles all logistic operations for our retail, e-commerce and wholesale businesses across the UK and Europe, supporting our long-term growth strategy. Since the half year, we have assigned the leases for our three UK legacy distribution centres to third parties.

The Group continues to consider its expansion and development plans for the Ugly Brown Building and has decided not to exercise the option to purchase 50% of neighbouring Block A, as future capacity requirements will be accommodated within our existing plans.

FINANCIAL RESULTS

Group revenue increased by 14.0% (9.5% in constant currency[1]) to £295.7m (2016: £259.5m) for the 28 weeks ended 12 August 2017. The composite gross margin remained constant at 58.9% (2016: 58.9%).

Distribution costs, which comprise the cost of retail operations and distribution centres, increased by 13.6% (8.5% in constant currency[1]) to £117.8m (2016: £103.7m). As a percentage of sales they decreased to 39.8% (2016: 40.0%) due to the decrease in dual running costs associated with the transition to our new single European distribution centre, partially offset by investment in online marketing costs to increase awareness of local e-commerce sites and some pre-opening costs in Asia.

Administrative expenses increased by 13.5% to £40.4m (2016: £35.5m). Administrative expenses before exceptional items[2] increased by 16.7% (14.0% in constant currency[1]) to £41.5m (2016: £35.5m) and as a percentage of sales increased to 14.0% (2016: 13.7%). This was due to the growth in our central functions, both in the UK and overseas, the continued deployment of our information technology infrastructures to support our growth and investment in customer engagement.

Dual running costs incurred in respect of our new distribution centre and the systems roll-out were £1.2m (2016: £2.0m) in the first half of the year. We would expect to incur further costs of £0.9m in the second half of the year.

Exceptional income of £1.1m (2016: £nil) related to the release of the provision for the Group's legacy warehouses following assignment of the leases.

The net foreign exchange gain during the period of £0.4m (2016: £1.2m) was due to the translation of monetary assets and liabilities denominated in foreign currencies. Net interest payable during the period was £1.6m (2016: £1.5m).

Profit before tax and exceptional items[2] increased by 12.7% to £24.2m (2016: £21.5m) and profit before tax increased by 17.8% to £25.3m (2016: £21.5m). Adjusted basic earnings per share[3], which exclude exceptional items, increased by 12.4% to 41.7p (2016: 37.1p) and basic earnings per share increased by 17.5% to 43.6p (2016: 37.1p).

The forecast effective tax rate of 23.8% (2016 full-year effective rate: 24.0%) is higher than the forecast UK corporation tax rate for the period of 19.16%, largely due to higher overseas tax rates and the non-recognition of losses in overseas territories where the brand is still in its development phase. On 1 April 2017, the UK corporation tax rate fell from 20% to 19% and a further reduction to 17% from 1 April 2020 has been substantively enacted.

The net decrease in cash and cash equivalents of £30.6m (2016: £32.9m) primarily reflected an increase in working capital, further capital expenditure to support our long-term development and the payment of the full-year dividend. During the period, we made repayments of £3.0m (2016: £nil) on the secured term loan used to purchase The Ugly Brown Building.

Total working capital, which comprises inventories, trade and other receivables and trade and other payables, increased by £24.3m to £156.9m (2016: £132.5m). This was mainly driven by an increase in inventories of £40.8m to £176.4m (2016: £135.6m) reflecting the growth of our business, stock on hand for our wholesale customers and licence partners, some earlier phasing of stock deliveries between the first and second half of the year and the impact of the movement in foreign exchange rates.

The increase in trade and other receivables of £9.5m to £65.9m (2016: £56.4m) was driven by the growth in our wholesale and licensed businesses. Trade and other payables increased by £26.0m to £85.5m (2016: £59.5m) as a consequence of the timing of stock intake and other payments.

Capital expenditure of £19.4m (2016: £21.5m) comprised the costs of opening and refurbishing stores, concessions and outlets. It also reflected the ongoing investment in business-wide systems to support our continued growth. We expect full-year capital expenditure to be in line with previous guidance of £35m, subject to the timing of planned openings.

BORROWING FACILITIES

Since the half year, the Group agreed an extension of its multi-currency revolving credit facility. A new agreement was signed on 25 September 2017, which increased the Group's committed borrowing facility from £110.0m to £135.0m, expiring in September 2020.

This increased facility provides the resources to fund the planned investment in capital expenditure and working capital required to support the Group's long-term growth strategy. The new borrowing facility is on the same terms and contains the same covenants as the previous facility.

DIVIDENDS

The Board has declared an interim dividend of 16.6p (2016: 14.8p), representing an increase of 12.2%, which will be payable on 17 November 2017 to shareholders on the register at the close of business on 20 October 2017.

PEOPLE

Against a backdrop of difficult market conditions, the performance in the period is a testament to our talented teams across the world, whose commitment and passion remain key to our success. I would like to take this opportunity to thank all of my colleagues for their continued hard work as we continue to grow the business and further develop Ted Baker as a global lifestyle brand.

As previously announced, on 29 September 2017 the Company appointed Anita Balchandani and Jennifer Roebuck as independent Non-Executive Directors. Anita and Jennifer will provide additional digital and retail experience to support the continued growth of the business. In addition, Anne Sheinfield stepped down as Non-Executive Director after more than seven years in the role. The Board would like to thank Anne for her major contribution and dedicated service during her time with Ted Baker, in particular her stewardship of the Remuneration Committee.


TEAMWORK AT OUR CORE

GLOBAL GROUP PERFORMANCE

KEY PERFORMANCE INDICATORS

		28 WEEKS ENDED 12 AUGUST 2017	28 WEEKS ENDED 13 AUGUST 2016	VARIANCE	CONSTANT CURRENCY VARIANCE[1]
Group	Revenue	**£295.7m**	£259.5m	14.0%	9.5%
	Gross margin	**58.9%**	58.9%	-	-
	Operating contribution (excluding exceptional items[2])*	**8.5%**	8.3%	20 bps	-
	Operating contribution**	**8.9%**	8.3%	60 bps	-
	Profit before tax (excluding exceptional items[2]) as a % of revenue	**8.2%**	8.3%	(10 bps)	-
	Profit before tax as a % of revenue	**8.6%**	8.3%	30 bps	-
Retail	Revenue	**£217.7m**	£191.1m	13.9%	9.2%
	E-commerce	**£42.7m**	£29.7m	43.8%	40.7%
	Gross margin	**65.6%**	65.6%	-	-
	Average square footage***	**400,313**	381,441	4.9%	-
	Closing square footage***	**409,470**	387,086	5.8%	-
	Sales per square foot including e-commerce	**£544**	£501	8.6%	4.1%
	Sales per square foot excluding e-commerce	**£437**	£423	3.3%	(1.5%)
Wholesale	Revenue	**£78.0m**	£68.4m	14.1%	10.2%
	Gross margin	**40.2%**	40.1%	10 bps	-
Licence income	Revenue	**£9.7m**	£7.9m	23.1%	-

*Operating contribution is defined as operating profit before exceptional items[2] as a percentage of revenue.

**Operating contribution is defined as operating profit as a percentage of revenue.

***Excludes license partner stores.

GLOBAL GROUP PERFORMANCE

RETAIL

Our retail channel comprises stores, concessions and e-commerce providing a seamless multi-channel customer experience. We operate stores and concessions across the UK and Europe, North America and Asia and localised e-commerce sites in the UK, continental Europe, the US, Canada and Australia. We also operate e-commerce sites with some of our concession partners. Our unique stores showcase the Ted Baker brand and are key to the growth and success of our e-commerce business. Our relatively low number of own stores and higher number of concession locations allows us to maintain a flexible store business model.

Retail sales were up 13.9% (9.2% in constant currency[1]) to £217.7m (2016: £191.1m), despite a challenging trading environment across some of our global markets. This growth was driven by continued investment across the retail channel in new stores and our e-commerce platforms. We are particularly pleased with our strong e-commerce performance, where sales grew 43.8% (40.7% in constant currency[1]) to £42.7m (2016: £29.7m) and represented 19.6% (2016: 15.5%) of total retail sales.

The total growth in retail sales of 13.9% (9.2% in constant currency[1]) exceeded the increase in average retail square footage of 4.9% to 400,313 sq ft (2016: 381,441 sq ft). Retail sales per square foot (excluding e-commerce) increased 3.3% (decrease of 1.5% in constant currency[1]) to £437 (2016: £423) demonstrating the changing customer behaviour with customers shopping both online and in store.

The retail gross margin remained constant at 65.6% (2016: 65.6%) as we continued to maintain the improved full price sell-through experienced in the previous period.

Retail operating costs increased by 13.1% (11.5% in constant currency[1]) to £114.0m (2016: £100.8m), and as a percentage of retail sales decreased to 52.4% (2016: 52.8%). This was due to the decrease in dual running costs associated with the transition to our new single European distribution centre, partially offset by investment in online marketing costs to increase awareness of local e-commerce sites and some pre-opening costs in Asia.

WHOLESALE

Our wholesale business in the UK serves countries across the world, particularly in the UK and Europe, as well as supplying products to stores operated by our territorial licence partners. In addition, we operate a wholesale business in North America serving the US and Canada.

Wholesale sales increased by 14.1% (10.2% in constant currency[1]) to £78.0m (2016: £68.4m) reflecting a good performance from our UK business and a strong result from our North American business.

The wholesale gross margin remained broadly consistent at 40.2% (2016: 40.1%).

LICENCE INCOME

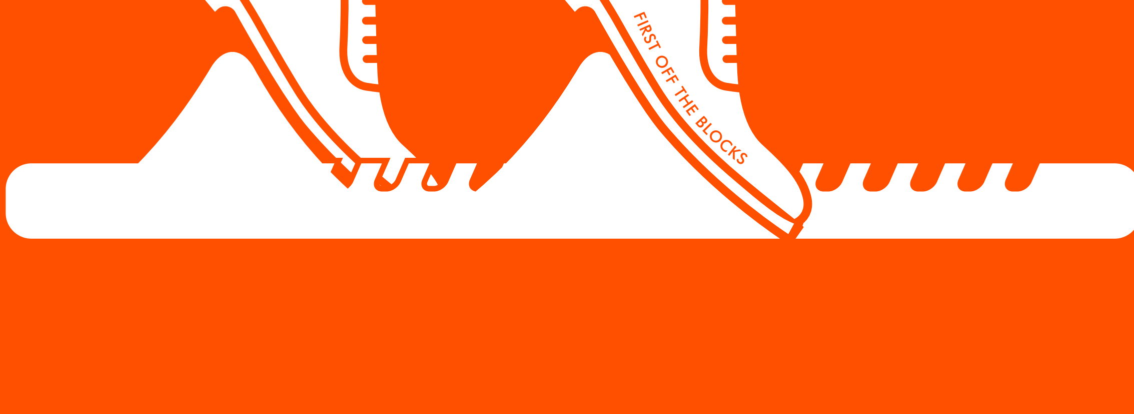
We operate both territorial and product licences. Our territorial licences cover selected countries in Europe, North America, the Middle East, Asia, Australasia and Africa, where our partners operate licensed retail stores and concessions and, in some territories, wholesale operations. Our product licences cover Bedding; Childrenswear; Crockery; Eyewear; Footwear; Fragrance and Skinwear; Gifting and Stationery; Jewellery; Lingerie and Sleepwear; Luggage; Neckwear; Rugs; Suiting; Technical Accessories; Tiles; and Watches.

Licence income was up 23.1% to £9.7m (2016: £7.9m) with both product and territorial licences performing well. There were notable performances from our product licensees in Eyewear, Fragrance and Skinwear and Suiting.

COLLECTIONS

We are pleased with the positive reactions to our collections both in the UK and internationally. Ted Baker Womenswear performed well with sales up 19.1% to £177.4m (2016: £148.9m). Ted Baker Menswear delivered a good performance with sales increasing 7.0% to £118.3m (2016: £110.6m).

Womenswear represented 60.0% of total sales (2016: 57.4%) during the period and Menswear represented 40.0% of total sales (2016: 42.6%). The growth in the Womenswear mix was driven by allocation of space as well as the increased proportion of e-commerce sales where we experience a higher percentage of Womenswear sales.


FIRST OFF THE BLOCKS

GEOGRAPHIC PERFORMANCE

UNITED KINGDOM AND EUROPE

	28 WEEKS ENDED 12 AUGUST 2017	28 WEEKS ENDED 13 AUGUST 2016	VARIANCE	CONSTANT CURRENCY VARIANCE[1]
Total retail revenue	**£145.6m**	£131.2m	11.0%	9.1%
E-commerce revenue	**£34.7m**	£25.3m	37.2%	36.5%
Average square footage*	**252,484**	245,377	2.9%	-
Closing square footage*	**256,419**	247,088	3.8%	-
Sales per square foot including e-commerce sales	**£577**	£535	7.9%	6.0%
Sales per square foot excluding e-commerce sales	**£439**	£432	1.6%	(0.3%)
Wholesale revenue	**£50.0m**	£46.6m	7.3%	-
Own stores	**37**	38	(1)	-
Concessions	**242**	229	13	-
Outlets	**16**	13	3	-
Partner stores/concessions	**5**	3	2	-
Total	**300**	283	17	-

* Excludes licensed partner stores.

Retail sales in the period in the UK and Europe increased 11.0% (9.1% in constant currency[1]) to £145.6m (2016: £131.2m) despite challenging trading conditions.

E-commerce sales increased by 37.2% (36.5% in constant currency[1]) to £34.7m (2016: £25.3m) demonstrating how e-commerce sales are an integral part of the retail proposition in the UK and European markets. As a percentage of UK and Europe retail sales, e-commerce sales represented 23.8% (2016: 19.3%).

Sales per square foot excluding e-commerce sales decreased slightly in constant currency[1]. Our stores remain key to the success of the e-commerce business through initiatives such as order in store and click and collect, as well as showcasing the brand.

During the period, we opened a store in London and one in Paris and outlets in Gloucester and Roermond. We opened further concessions with premium department stores in the UK, France, Germany and the Netherlands. We also opened two licence partner stores in Turkey. We are pleased with their performances and remain positive about growth opportunities for our brand in these markets.

Sales from our UK wholesale business increased 7.3% to £50.0m (2016: £46.6m). This reflected a good performance from sales to trustees, particularly those with a strong online customer proposition.

GEOGRAPHIC PERFORMANCE

NORTH AMERICA

	28 WEEKS ENDED 12 AUGUST 2017	28 WEEKS ENDED 13 AUGUST 2016	VARIANCE	CONSTANT CURRENCY VARIANCE[1]
Total retail revenue	**£60.7m**	£51.1m	18.8%	7.8%
E-commerce revenue	**£6.9m**	£4.4m	56.8%	41.3%
Average square footage*	**117,776**	107,692	9.4%	-
Closing square footage*	**120,499**	112,317	7.3%	-
Sales per square foot including e-commerce sales	**£516**	£474	8.9%	(1.4%)
Sales per square foot excluding e-commerce sales	**£457**	£434	5.3%	(4.3%)
Wholesale revenue	**£28.0m**	£21.8m	28.4%	16.7%
Own stores	**32**	28	4	-
Concessions	**55**	55	-	-
Outlets	**11**	11	-	-
Partner stores/concessions	**21**	12	9	-
Total	**119**	106	13	-

* Excludes licensed partner stores.

We remain confident that the Ted Baker brand is becoming more established and continuing to gain recognition in this territory.

Sales from our retail division increased by 18.8% (7.8% in constant currency[1]) to £60.7m (2016: £51.1m) driven by our continued expansion. Sales per square foot excluding e-commerce sales decreased in constant currency[1] due in part to higher levels of competitor promotional activity in the North American market and lower international tourism.

In the period, we opened new stores in Houston and Los Angeles and expanded our Miami Aventura store. We also closed a store in Los Angeles. In addition, we opened further licence partner concessions in Mexico.

Our e-commerce business delivered a strong performance with sales increasing by 56.8% (41.3% constant currency[1]) to £6.9m (2016: £4.4m). As a percentage of North America retail sales, e-commerce sales represented 11.4% (2016: 8.6%).

Sales from our North American wholesale business increased by 28.4% (16.7% in constant currency[1]) to £28.0m (2016: £21.8m), reflecting a strengthening relationship with key trustees that attract domestic customers across North America, further demonstrating increased brand recognition in this territory.

GEOGRAPHIC PERFORMANCE

MIDDLE EAST, ASIA, AFRICA AND AUSTRALASIA

	28 WEEKS ENDED 12 AUGUST 2017	28 WEEKS ENDED 13 AUGUST 2016	VARIANCE	CONSTANT CURRENCY VARIANCE[1]
Total retail revenue	**£11.4m**	£8.8m	29.5%	19.6%
E-commerce revenue	**£1.1m**	-	-	-
Average square footage*	**30,053**	28,372	5.9%	-
Closing square footage*	**32,552**	27,681	17.6%	-
Sales per square foot including e-commerce sales	**£379**	£310	22.3%	13.0%
Sales per square foot excluding e-commerce sales	**£341**	£310	10.0%	1.6%
Own stores	**10**	8	2	-
Concessions	**16**	10	6	-
Outlets	**3**	3	-	-
Partner stores/concessions	**63**	60	3	-
Total	**92**	81	11	-

* Excludes licensed partner stores.

We continue to develop the Ted Baker brand across the Middle East, Asia, Africa and Australasia through our retail and licensing channels.

In Asia, we remain positive about the long-term opportunities in this territory. Retail sales in Asia increased 29.5% (19.6% in constant currency[1]) to £11.4m (2016: £8.8m). During the period, we opened a store in Shanghai and relocated our Tokyo store, we also opened concessions in Japan and South Korea.

Our e-commerce concession businesses in China and Japan performed well with sales of £1.1m, which as a percentage of Asian retail sales represented 9.6%.

Our licensed stores across the Middle East, Asia and Africa continued to perform well. Our existing licence partners opened new stores in Dubai, Kuwait, Lebanon, Qatar and Saudi Arabia. As at 12 August 2017, we operated a total of 53 partner stores (2016: 51).

The joint venture with our Australian licence partner, Flair Industries Pty Ltd, opened a new store in Bondi. As at 12 August 2017, we operated ten stores in Australasia (2016: nine stores).

CURRENT TRADING AND OUTLOOK

RETAIL

In the UK and Europe, we have continued our expansion with concession openings in Germany. We plan to open new stores in Oxford and London Luton Airport and further concessions in the UK, Germany and Spain later this year.

In North America, we have continued our expansion with six concession openings in Canada. We remain focused on developing our presence further in North America with plans to open a store in Montreal and an outlet in Chicago.

In Asia, we have closed our concessions in South Korea and transitioned our retail operations to a distributor with local knowledge and experience to drive growth in this country.

WHOLESALE

The good performance in our wholesale business in the first half of the year is expected to continue for the remainder of the year. As a result, we anticipate reporting high single-digit sales growth (in constant currency[1]) for the full year.

LICENCE INCOME

Our product and territorial licences continue to perform well. We have opened a store in Kuwait with further store openings planned in Qatar, Malaysia, Mexico and our first store in India later this year.

OUTLOOK

The Ted Baker brand continues to develop and expand as a global lifestyle brand across markets and distribution channels. We have a clear strategy for the development of the brand across both established and newer markets. This is underpinned by our controlled distribution as well as the design, quality and attention to detail that are at the core of everything we do.

Despite the continued challenging external market conditions, the Board is confident of making further progress for the full year in line with its expectations. We intend to make our next trading update, covering the period since the start of the second half of the financial year, in mid-November.

David Bernstein CBE
Non-Executive Chairman
10 October 2017

NOTES:

[1]Constant currency variances are calculated by applying the foreign exchange rates for the 28 weeks ended 13 August 2016 to results in overseas subsidiaries for the 28 weeks ended 12 August 2017 to remove the impact of exchange rate fluctuations.

[2]Exceptional items are excluded from profit before tax and exceptional items due to these items being one-off and material in nature.

[3]Exceptional items are excluded from adjusted basic earnings per share due to these items being one-off and material in nature.

The Directors believe measures one to three provide a consistent and comparable view of the underlying performance of the Group's ongoing business.


DON'T RAIN ON OUR CHAMBRAY

CONDENSED GROUP INTERIM FINACIAL STATEMENTS

CONDENSED GROUP INCOME STATEMENT

FOR THE 28 WEEKS ENDED 12 AUGUST 2017	NOTE	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
		£'000	£'000	£'000
Revenue	2	295,726	259,460	530,986
Cost of sales	2	(121,673)	(106,687)	(207,257)
GROSS PROFIT	2	**174,053**	**152,773**	**323,729**
Distribution costs		(117,817)	(103,744)	(208,221)
Administrative expenses		(40,353)	(35,540)	(70,103)
Administrative expenses before exceptional items		(41,461)	(35,540)	(65,590)
Exceptional income/(costs)	3	1,108	-	(4,513)
Licence income		9,726	7,904	18,237
Other operating income/(expense)		680	125	(1,145)
OPERATING PROFIT	2	**26,289**	**21,518**	**62,497**
Finance income	4	484	1,265	1,597
Finance expense	4	(1,666)	(1,572)	(3,373)
Share of profit of jointly controlled entity, net of tax		191	260	550
PROFIT BEFORE TAX	2	**25,298**	**21,471**	**61,271**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**24,190**	**21,471**	**65,784**
Exceptional income/(costs)		1,108	-	(4,513)
Income tax expense	7	(6,021)	(5,153)	(14,703)
PROFIT FOR THE PERIOD		**19,277**	**16,318**	**46,568**
EARNINGS PER SHARE	5			
Basic		43.6p	37.1p	105.7p
Diluted		43.1p	36.6p	104.5p

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
	£'000	£'000	£'000
PROFIT FOR THE PERIOD	**19,277**	**16,318**	**46,568**
OTHER COMPREHENSIVE (EXPENSE)/INCOME ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:			
Net effective portion of changes in fair value of cash flow hedges	(1,883)	10,656	10,521
Net change in fair value of cash flow hedges transferred to profit or loss	(3,205)	(2,394)	(5,435)
Net exchange rate movement	(1,050)	2,931	5,580
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD, NET OF TAX	**(6,138)**	**11,193**	**10,666**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13,139**	**27,511**	**57,234**

CONDENSED GROUP INTERIM FINACIAL STATEMENTS

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY – UNAUDITED

FOR THE 28 WEEKS ENDED 12 AUGUST 2017	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE AT 28 JANUARY 2017	**2,208**	**9,935**	**6,736**	**7,891**	**183,774**	**210,544**
COMPREHENSIVE INCOME FOR THE PERIOD						
Profit for the period	-	-	-	-	19,277	19,277
Exchange differences on translation of foreign operations	-	-	-	(1,400)	-	(1,400)
Current tax on foreign currency translation	-	-	-	350	-	350
Effective portion of changes in fair value of cash flow hedges	-	-	(3,077)	-	-	(3,077)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	(3,205)	-	-	(3,205)
Deferred tax associated with movement in hedging reserve	-	-	1,194	-	-	1,194
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**(5,088)**	**(1,050)**	**19,277**	**13,139**
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY						
Increase in issued share capital	8	474	-	-	-	482
Share-based payment charges	-	-	-	-	943	943
Movement on current and deferred tax on share-based payments	-	-	-	-	(167)	(167)
Dividends paid	-	-	-	-	(17,176)	(17,176)
TOTAL TRANSACTIONS WITH OWNERS	**8**	**474**	**-**	**-**	**(16,400)**	**(15,918)**
BALANCE AT 12 AUGUST 2017	**2,216**	**10,409**	**1,648**	**6,841**	**186,651**	**207,765**

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY - UNAUDITED

FOR THE 28 WEEKS ENDED 13 AUGUST 2016	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE AT 30 JANUARY 2016	**2,199**	**9,617**	**1,650**	**2,311**	**156,822**	**172,599**
COMPREHENSIVE INCOME FOR THE PERIOD						
Profit for the period	-	-	-	-	16,318	16,318
Exchange differences on translation of foreign operations	-	-	-	3,931	-	3,931
Current tax on foreign currency translation	-	-	-	(1,000)	-	(1,000)
Effective portion of changes in fair value of cash flow hedges	-	-	9,337	-	-	9,337
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	(2,394)	-	-	(2,394)
Deferred tax associated with movement in hedging reserve	-	-	1,319	-	-	1,319
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**8,262**	**2,931**	**16,318**	**27,511**
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY						
Increase in issued share capital	4	280	-	-	-	284
Share-based payment charges	-	-	-	-	1,039	1,039
Movement on current and deferred tax on share-based payments	-	-	-	-	(332)	(332)
Dividends paid	-	-	-	-	(15,215)	(15,215)
TOTAL TRANSACTIONS WITH OWNERS	**4**	**280**	**-**	**-**	**(14,508)**	**(14,224)**
BALANCE AT 13 AUGUST 2016	**2,203**	**9,897**	**9,912**	**5,242**	**158,632**	**185,886**

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY - AUDITED

FOR THE 52 WEEKS ENDED 28 JANUARY 2017	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE AT 30 JANUARY 2016	**2,199**	**9,617**	**1,650**	**2,311**	**156,822**	**172,599**
COMPREHENSIVE INCOME FOR THE PERIOD						
Profit for the period	-	-	-	-	46,568	46,568
Exchange differences on translation of foreign operations	-	-	-	7,038	-	7,038
Current tax on foreign currency translation	-	-	-	(1,458)	-	(1,458)
Effective portion of changes in fair value of cash flow hedges	-	-	11,714	-	-	11,714
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	(5,435)	-	-	(5,435)
Deferred tax associated with movement in hedging reserve	-	-	(1,193)	-	-	(1,193)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**5,086**	**5,580**	**46,568**	**57,234**
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY						
Increase in issued share capital	9	318	-	-	-	327
Share-based payment charges	-	-	-	-	1,839	1,839
Movement on current and deferred tax on share-based payments	-	-	-	-	281	281
Dividends paid	-	-	-	-	(21,736)	(21,736)
TOTAL TRANSACTIONS WITH OWNERS	**9**	**318**	**-**	**-**	**(19,616)**	**(19,289)**
BALANCE AT 28 JANUARY 2017	**2,208**	**9,935**	**6,736**	**7,891**	**183,774**	**210,544**

CONDENSED GROUP INTERIM FINACIAL STATEMENTS

CONDENSED GROUP BALANCE SHEET

AT 12 AUGUST 2017	NOTE	UNAUDITED 12 AUGUST 2017	UNAUDITED 13 AUGUST 2016	AUDITED 28 JANUARY 2017
		£'000	£'000	£'000
Intangible assets	10	29,765	20,682	24,445
Property, plant and equipment	11	145,312	134,893	144,354
Investments in equity accounted investee		2,088	1,901	1,897
Deferred tax assets		4,444	7,639	4,446
Prepayments		395	426	401
NON-CURRENT ASSETS		**182,004**	**165,541**	**175,543**
Inventories		176,435	135,649	158,500
Trade and other receivables		65,934	56,396	59,251
Amount due from equity accounted investee		597	925	653
Derivative financial assets	12	3,575	10,117	8,974
Cash and cash equivalents	9	18,030	25,525	21,401
CURRENT ASSETS		**264,571**	**228,612**	**248,779**
Trade and other payables		(85,510)	(59,532)	(80,995)
Bank overdraft	9	(85,388)	(81,702)	(58,074)
Term loan		(6,000)	(4,500)	(6,000)
Income tax payable		(9,171)	(5,743)	(10,327)
Provisions for liabilities and charges		(756)	-	(915)
Derivative financial liabilities	12	(718)	(1,228)	(616)
CURRENT LIABILITIES		**(187,543)**	**(152,705)**	**(156,927)**
Deferred tax liability		(1,767)	(62)	(2,349)
Provisions for liabilities and charges		-	-	(2,002)
Term loan		(49,500)	(55,500)	(52,500)
NON-CURRENT LIABILITIES		(51,267)	(55,562)	(56,851)
NET ASSETS		**207,765**	**185,886**	**210,544**
EQUITY				
Share capital		2,216	2,203	2,208
Share premium		10,409	9,897	9,935
Other reserves		1,648	9,912	6,736
Translation reserve		6,841	5,242	7,891
Retained earnings		186,651	158,632	183,774
TOTAL EQUITY		**207,765**	**185,886**	**210,544**

CONDENSED GROUP CASH FLOW STATEMENT

FOR THE 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
	£'000	£'000	£'000
CASH GENERATED FROM OPERATIONS			
Profit for the period	19,277	16,318	46,568
Adjusted for:			
Income tax expense	6,021	5,153	14,703
Depreciation and amortisation	12,285	10,559	20,966
Loss on disposal of property, plant & equipment	2	22	416
Share-based payment charges	943	1,039	1,839
Net finance expenses	1,182	307	1,776
Net change in derivative financial assets and liabilities carried at fair value through profit or loss	(758)	985	677
Share of profit in joint venture	(191)	(260)	(550)
Decrease in non-current prepayments	33	31	59
Increase in inventories	(18,906)	(6,608)	(27,128)
Increase in trade and other receivables	(6,541)	(14,193)	(16,335)
Increase in trade and other payables	4,842	243	20,392
(Decrease)/increase in provisions for liabilities and charges	(2,161)	-	2,917
Interest paid	(1,548)	(1,389)	(2,886)
Income taxes paid	(6,346)	(8,705)	(10,644)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**8,134**	**3,502**	**52,770**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangibles	(19,101)	(21,460)	(43,753)
Proceeds from sale of property, plant and equipment	-	-	93
Interest received	25	13	15
Dividends received from joint venture	-	-	294
NET CASH FROM INVESTING ACTIVITIES	**(19,076)**	**(21,447)**	**(43,351)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of term loan	(3,000)	-	(1,500)
Dividends paid	(17,176)	(15,215)	(21,736)
Proceeds from issue of shares	482	284	327
NET CASH FROM FINANCING ACTIVITIES	**(19,694)**	**(14,931)**	**(22,909)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(30,636)**	**(32,876)**	**(13,490)**
Cash and cash equivalents at the beginning of the period	(36,673)	(24,574)	(24,574)
Exchange rate movement	(49)	1,273	1,391
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(67,358)**	**(56,177)**	**(36,673)**
Cash and cash equivalents at the end of the period	18,030	25,525	21,401
Bank overdraft at the end of the period	(85,388)	(81,702)	(58,074)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(67,358)**	**(56,177)**	**(36,673)**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

A) REPORTING ENTITY

Ted Baker Plc (the "Company") is a company domiciled in the United Kingdom. The condensed interim financial statements ("interim financial statements") of Ted Baker Plc as at, and for, the 28 weeks ended 12 August 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group financial statements as at, and for, the 52 weeks ended 28 January 2017 are available upon request from the Company's registered office at Ted Baker Plc, The Ugly Brown Building, 6a St. Pancras Way, London NW1 0TB or at www.tedbakerplc.com.

B) STATEMENT OF COMPLIANCE

These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and the requirements of the Disclosures and Transparency Rules. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group financial statements as at, and for, the 52 weeks ended 28 January 2017. These interim financial statements were approved by the Board of Directors on 10 October 2017.

The comparative figures for the 52 weeks ended 28 January 2017 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The Auditors' Report was (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. These sections address whether proper accounting records have been kept, whether the Company's accounts are in agreement with these records and whether the auditors have obtained all the information and explanations necessary for the purposes of the audit.

The financial information in this document is unaudited, but has been reviewed by the auditors in accordance with the Auditing Practices Board guidance on Review of Interim Financial Information.

C) GOING CONCERN

The Group financial statements for the 52 weeks ended 28 January 2017, approved by the Board on 23 March 2017, included information on the business environment in which the Group operates, including the factors that are likely to impact the future prospects of the Group, together with the principal risks and uncertainties that the Group faces. In addition, the notes to the consolidated financial statements set out the Group's objectives, policies and processes for managing its financial and capital risk and its exposures to credit, market and liquidity risk. Many of the risks and uncertainties reported are such that their potential to impact the Group's operations are inherent and remain valid as regards to their potential impact during the second half of the financial year ending 27 January 2018.

The directors have prepared trading and cash flow forecasts for a period of one year from the date of approval of these interim financial statements. The directors have a reasonable expectation that the Group has adequate cash headroom and expect to meet all banking covenant requirements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group.

D) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in these interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 52 weeks ended 28 January 2017. Adoption of amendments to published standards and interpretations effective for the Group for the 28 weeks ended 12 August 2017 have had no significant impact on the financial position and performance of the Group.

2. SEGMENT INFORMATION
SEGMENT REVENUE AND SEGMENT RESULT

UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	RETAIL	WHOLESALE	LICENSING	TOTAL
	£'000	£'000	£'000	£'000
Revenue	217,696	78,030	-	295,726
Cost of sales	(74,974)	(46,699)	-	(121,673)
GROSS PROFIT	**142,722**	**31,331**	**-**	**174,053**
Operating costs	(114,013)	-	-	(114,013)
OPERATING CONTRIBUTION	**28,709**	**31,331**	**-**	**60,040**
Licence income	-	-	9,726	9,726
SEGMENT RESULT	**28,709**	**31,331**	**9,726**	**69,766**
RECONCILIATION OF SEGMENT RESULT TO PROFIT BEFORE TAX				
Segment result	28,709	31,331	9,726	69,766
Other operating costs	-	-	-	(45,265)
Exceptional income	-	-	-	1,108
Other operating income	-	-	-	680
OPERATING PROFIT	**-**	**-**	**-**	**26,289**
Net finance expense	-	-	-	(1,182)
Share of profit of jointly controlled entity, net of tax	-	-	-	191
PROFIT BEFORE TAX	**-**	**-**	**-**	**25,298**
Capital expenditure	11,515	433	-	11,948
Unallocated capital expenditure	-	-	-	7,415
TOTAL CAPITAL EXPENDITURE	**-**	**-**	**-**	**19,363**
Depreciation and amortisation	8,810	261	-	9,071
Unallocated depreciation and amortisation	-	-	-	3,214
TOTAL DEPRECIATION AND AMORTISATION	**-**	**-**	**-**	**12,285**
Segment assets	238,485	93,789	-	332,274
Deferred tax assets	-	-	-	4,444
Derivative financial assets	-	-	-	3,575
Intangible assets – head office	-	-	-	25,601
Plant, property and equipment – head office	-	-	-	77,601
Other assets	-	-	-	3,080
TOTAL ASSETS	**-**	**-**	**-**	**446,575**
Segment liabilities	(125,805)	(45,093)	-	(170,898)
Income tax payable	-	-	-	(9,171)
Provisions for liabilities and charges	-	-	-	(756)
Term loan	-	-	-	(55,500)
Other liabilities	-	-	-	(2,485)
TOTAL LIABILITIES	**-**	**-**	**-**	**(238,810)**
NET ASSETS	**-**	**-**	**-**	**207,765**

2. SEGMENT INFORMATION CONTINUED

UNAUDITED - 28 WEEKS ENDED 13 AUGUST 2016	RETAIL	WHOLESALE	LICENSING	TOTAL
	£'000	£'000	£'000	£'000
Revenue	191,070	68,390	-	259,460
Cost of sales	(65,700)	(40,987)	-	(106,687)
GROSS PROFIT	**125,370**	**27,403**	**-**	**152,773**
Operating costs	(100,808)	-	-	(100,808)
OPERATING CONTRIBUTION	**24,562**	**27,403**	**-**	**51,965**
Licence income	-	-	7,904	7,904
SEGMENT RESULT	**24,562**	**27,403**	**7,904**	**59,869**
RECONCILIATION OF SEGMENT RESULT TO PROFIT BEFORE TAX				
Segment result	24,562	27,403	7,904	59,869
Other operating costs	-	-	-	(38,476)
Exceptional income	-	-	-	-
Other operating income	-	-	-	125
OPERATING PROFIT	**-**	**-**	**-**	**21,518**
Net finance expense	-	-	-	(307)
Share of profit of jointly controlled entity, net of tax	-	-	-	260
PROFIT BEFORE TAX	**-**	**-**	**-**	**21,471**
Capital expenditure	12,087	327	-	12,414
Unallocated capital expenditure	-	-	-	9,046
TOTAL CAPITAL EXPENDITURE	**-**	**-**	**-**	**21,460**
Depreciation and amortisation	8,378	190	-	8,568
Unallocated depreciation and amortisation	-	-	-	1,991
TOTAL DEPRECIATION AND AMORTISATION	**-**	**-**	**-**	**10,559**
Segment assets	204,366	80,527	-	284,893
Deferred tax assets	-	-	-	7,639
Derivative financial assets	-	-	-	10,117
Intangible assets – head office	-	-	-	17,559
Plant, property and equipment – head office	-	-	-	70,693
Other assets	-	-	-	3,252
TOTAL ASSETS	**-**	**-**	**-**	**394,153**
Segment liabilities	(104,006)	(37,228)	-	(141,234)
Income tax payable	-	-	-	(5,743)
Term loan	-	-	-	(60,000)
Other liabilities	-	-	-	(1,290)
TOTAL LIABILITIES	**-**	**-**	**-**	**(208,267)**
NET ASSETS	**-**	**-**	**-**	**185,886**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. SEGMENT INFORMATION CONTINUED

AUDITED - 52 WEEKS ENDED 28 JANUARY 2017	RETAIL	WHOLESALE	LICENSING	TOTAL
	£'000	£'000	£'000	£'000
Revenue	400,724	130,262	-	530,986
Cost of sales	(135,704)	(71,553)	-	(207,257)
GROSS PROFIT	**265,020**	**58,709**	**-**	**323,729**
Operating costs	(203,253)	-	-	(203,253)
OPERATING CONTRIBUTION	**61,767**	**58,709**	**-**	**120,476**
Licence income	-	-	18,237	18,237
SEGMENT RESULT	**61,767**	**58,709**	**18,237**	**138,713**
RECONCILIATION OF SEGMENT RESULT TO PROFIT BEFORE TAX				
Segment result	61,767	58,709	18,237	138,713
Other operating costs	-	-	-	(70,558)
Exceptional income / (costs)	-	-	-	(4,513)
Other operating expense	-	-	-	(1,145)
OPERATING PROFIT	**-**	**-**	**-**	**62,497**
Net finance expense	-	-	-	(1,776)
Share of profit of jointly controlled entity, net of tax	-	-	-	550
PROFIT BEFORE TAX	**-**	**-**	**-**	**61,271**
Capital expenditure	21,358	411	-	21,769
Unallocated capital expenditure	-	-	-	21,985
TOTAL CAPITAL EXPENDITURE	**-**	**-**	**-**	**43,754**
Depreciation and amortisation	16,588	397	-	16,985
Unallocated depreciation and amortisation	-	-	-	3,981
TOTAL DEPRECIATION AND AMORTISATION	**-**	**-**	**-**	**20,966**
Segment assets	225,632	83,161	-	308,793
Deferred tax assets	-	-	-	4,446
Derivative financial assets	-	-	-	8,974
Intangible assets – head office	-	-	-	21,718
Property, plant and equipment – head office	-	-	-	77,440
Other assets	-	-	-	2,951
TOTAL ASSETS	**-**	**-**	**-**	**424,322**
Segment liabilities	(104,953)	(34,116)	-	(139,069)
Income tax payable	-	-	-	(10,327)
Provisions for liabilities and charges	-	-	-	(2,917)
Term loan	-	-	-	(58,500)
Other liabilities	-	-	-	(2,965)
TOTAL LIABILITIES	**-**	**-**	**-**	**(213,778)**
NET ASSETS	**-**	**-**	**-**	**210,544**

3. EXCEPTIONAL INCOME AND EXPENSES

The directors believe that the profit before exceptional items and the adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally. The exceptional profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

Exceptional income in the 28 weeks ended 12 August 2017 of £1.1m related to the release of the provision for the Group's legacy warehouses following assignment of the leases.

There were no exceptional items in the 28 weeks ended 13 August 2016.

Exceptional costs in the 52 weeks ended 28 January 2017 of £4.5m included a provision for lease commitments relating to the Group's legacy warehouses of £2.9m along with £0.7m of other closure costs and £0.9m in respect of closure costs for a concept store in London.

4. FINANCE INCOME AND EXPENSES

	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
	£'000	£'000	£'000
FINANCE INCOME			
– Interest receivable	25	13	15
– Foreign exchange gains	459	1,252	1,582
	484	**1,265**	**1,597**
FINANCE EXPENSES			
– Interest payable	(1,656)	(1,518)	(2,933)
– Foreign exchange losses	(10)	(54)	(440)
	(1,666)	**(1,572)**	**(3,373)**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. EARNINGS PER SHARE

	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
Number of shares:	No.	No.	No.
Weighted number of ordinary shares outstanding	44,226,509	43,986,705	44,034,459
Effect of dilutive options	501,764	631,423	516,310
WEIGHTED NUMBER OF ORDINARY SHARES OUTSTANDING – DILUTED	**44,728,273**	**44,618,128**	**44,550,769**
EARNINGS:	£'000	£'000	£'000
Profit for the period – basic and diluted	19,277	16,318	46,568
Profit for the period – adjusted*	18,433	16,318	50,178
Basic earnings per share	43.6p	37.1p	105.7p
Adjusted earnings per share*	41.7p	37.1p	114.0p
Diluted earnings per share	43.1p	36.6p	104.5p
Adjusted diluted earnings per share*	41.2p	36.6p	112.6p

*Adjusted profit for the period and adjusted earnings per share are shown before exceptional income (net of tax) of £0.8m (28 weeks ended 13 August 2016: £nil; 52 weeks ended 28 January 2017: exceptional costs of £3.6m).

6. DIVIDENDS PER SHARE

	UNAUDITED 28 WEEKS ENDED 12 AUGUST 2017	UNAUDITED 28 WEEKS ENDED 13 AUGUST 2016	AUDITED 52 WEEKS ENDED 28 JANUARY 2017
	£'000	£'000	£'000
Final dividend paid for the prior year of 38.8p per ordinary share (2016: 34.6p)	17,176	15,215	15,215
Interim dividend paid 2017: £nil (2016: £nil)	-	-	6,521
	17,176	**15,215**	**21,736**

The Board has declared an interim dividend of 16.6p per share (2016: 14.8p) payable on 17 November 2017 to shareholders on the register at 20 October 2017.

7. INCOME TAX EXPENSE

The Group's full-year forecast effective tax rate in respect of continuing operations for the 28 weeks ended 12 August 2017 is 23.8% (28 weeks ended 13 August 2016: 24.0%; 52 weeks ended 28 January 2017: 24.0%).

This effective tax rate is higher than the UK corporation tax rate for the period of 19.16% due to higher overseas tax rates and the non-recognition of losses in overseas territories where the businesses are still in their development phase.

On 1 April 2017, the UK corporation tax rate reduced to 19% and there will be a further reduction to 17% from 1 April 2020.

Our future effective tax rate is expected to remain higher than the UK tax rate as a result of a growing proportion of overseas profits arising in jurisdictions with higher tax rates than the UK.

8. LONG-TERM INCENTIVE PLAN

Share awards are made in the form of nil-cost options over the ordinary shares in Ted Baker Plc under the Long-Term Incentive Plan 2013 ("LTIP 2013"), which was approved by the shareholders at the Annual General Meeting held on 20 June 2013. A fifth award of options was granted under the LTIP 2013 on 6 April 2017. The options will be exercisable three years after the date of grant subject to the satisfaction of profit before tax per share and share price performance targets, each measured over a three year period. The profit before tax per share target is calibrated so that the percentage of awards that vests is linked to the level of profit growth achieved.

The terms and conditions of the LTIP 2013 awards made during the 28 weeks ended 12 August 2017 are as follows:

GRANT DATE	TYPE OF AWARD	NUMBER OF SHARES	VESTING CONDITIONS	VESTING PERIOD
6 April 2017	LTIP 2013	221,234	Profit before tax per share growth of 10-15% per annum and 10% share price growth over the vesting period	Up to 100% after three years

The charge to the income statement for the 28 weeks ended 12 August 2017 for LTIP 2013 awards amounted to £743,402 (28 weeks ended 13 August 2016: £869,170; 52 weeks ended 28 January 2017: £1,505,000). Included in the charge for the period is an amount in respect of Mr R S Kelvin, who is employed by the Company, amounting to £97,234 (28 weeks ended 13 August 2016: £134,622; 52 weeks ended 28 January 2017: £219,000).

The Monte-Carlo valuation methodology has been used as the basis of measuring fair value of awards made under the LTIP 2013. The range of inputs into the Monte-Carlo model was as follows:

Share price at grant	1,849.0p - 2,855.0p
Share price at grant (based on three to six-month average) for share price performance condition	2,103.0p - 2,744.0p
Risk free interest rate	0.18% - 1.18%
Expected life of options	3 years
Share price volatility	29.0% - 32.89%
Dividend yield	1.41% - 2.02%

9. RECONCILIATION OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET TO THE CASH FLOW STATEMENT

	UNAUDITED 12 AUGUST 2017	UNAUDITED 13 AUGUST 2016	AUDITED 28 JANUARY 2017
	£'000	£'000	£'000
Cash and cash equivalents per cash flow statement	18,030	25,525	21,401
Bank overdraft per balance sheet	(85,388)	(81,702)	(58,074)
Cash and cash equivalents per cash flow statement	**(67,358)**	**(56,177)**	**(36,673)**

During the period, the Group agreed an extension of its multi-currency revolving credit facility. A new agreement was signed on 25 September 2017, increasing the Group's committed borrowing facility from £110.0m to £135.0m expiring in September 2020. The new borrowing is on the same terms and contains the same covenants as the previous facility, which are appropriate to the Group and will be tested on a quarterly basis.

10. INTANGIBLE ASSETS

Intangible asset additions during the period were £7.0m (13 August 2016: £4.3m; 28 January 2017: £9.3m) in relation to the Microsoft Dynamics AX system, investment in other business-wide systems to support the long-term development of the business and further development of our e-commerce platforms.

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment asset additions during the period were £12.4m (13 August 2016: £17.2m; 28 January 2017: £34.4m) primarily in relation to store refurbishments and openings.

12. FINANCIAL INSTRUMENTS

The Group held certain financial instruments at fair value at 12 August 2017. The definitions and valuation techniques employed for these as at 12 August 2017 are consistent with those used at 28 January 2017 and disclosed in Note 23 on pages 114 to 121 of the 2017 Annual Report:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuations of all financial assets and liabilities carried at fair value by the Group are based on hierarchy Level 2.

While the carrying values of assets and liabilities at fair value have changed since 28 January 2017, the Group does not consider the movements in value to be significant, and the categorisation of these assets and liabilities in accordance with the disclosure requirements of IFRS 7 has not materially changed.

Level 2 assets and liabilities are shown as:

	UNAUDITED 12 AUGUST 2017	UNAUDITED 13 AUGUST 2016	AUDITED 28 JANUARY 2017
	£'000	£'000	£'000
ASSETS AT FAIR VALUE			
Currency derivatives	3,575	10,117	8,974
LIABILITIES AT FAIR VALUE			
Currency derivatives	(418)	(1,228)	(550)
Interest rate swap	(300)	-	(66)

13. RELATED PARTIES

The Group considers its Executive and Non-Executive Directors as key management and therefore has a related party relationship with them.

Directors of the Company and their immediate relatives control 35.3% (13 August 2016: 35.5%) of the voting shares of the Company.

At 12 August 2017, the main trading company owed the parent company £37,013,000 (13 August 2016: £31,968,000) and one of its subsidiaries £nil (13 August 2016: £1,367,000). The main trading company was owed £142,141,000 (13 August 2016: £131,311,000) from other subsidiaries within the Group.

Transactions between subsidiaries and between the parent and subsidiaries were priced on an arm's length basis.

The Group has a 50% interest in the ordinary share capital of No Ordinary Retail Company Pty, a company incorporated in Australia. As at 12 August 2017, the joint venture owed £596,000 to the main trading company (13 August 2016: £925,000). The value of sales made to the joint venture by the Group in the period was £1,465,000 (13 August 2016: £1,519,000).

14. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the Group were identified as part of the Group Strategic Report, set out on pages 20 to 22 of the Ted Baker Annual Report and Accounts for the 52 weeks ended 28 January 2017, a copy of which is available on the website at www.tedbakerplc.com.

The Group has established a structured approach to identify, assess and manage these risks and this is regularly monitored and updated by the Risk Committee. The following list highlights some of the principal risks, which are unchanged from year end and remain relevant for the second half of the financial year:

STRATEGIC RISKS

- Reputational risk to our brand as a result of our actions or those of our partners;
- Failure in growing the international business through franchise operations, licencees and e-commerce;
- Risk that our offer will not satisfy the needs of our customers or that we fail to correctly identify trends;
- Significant external events affecting our supply chain, customers and partners, risking an increase in our cost base and adversely affecting our revenue; and
- The increased level of economic and consumer uncertainty arising from the UK's decision to leave the European Union.

OPERATIONAL RISKS

- Failure in our supply chain affecting our ability to deliver our offer to customers and/or partners;
- Operational problems affecting the infrastructure of our business;
- Failure to operate in a sustainable and responsible manner;
- IT security breach and loss of controlled data;
- Poorly managed implementation or take-up of new systems, leading to business disruptions;
- Loss of key individuals;
- Non-compliance with applicable legislation and regulations; and
- Unauthorised use of our designs, trademarks and other intellectual property rights.

FINANCIAL RISKS

- Currency, interest and credit risks; and.
- Fluctuations in foreign currencies.


EASY ON THE EYES


NO ORDINARY BOARD MEETINGS

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The directors confirm that to the best of their knowledge:

- the condensed financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* as adopted by the EU;
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first 28 weeks of the financial year and their impact on the condensed financial statements, and a description of the principal risks and uncertainties for the remaining 24 weeks of the financial year; and

(b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first 28 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

The directors of Ted Baker Plc are listed on page 36 of the Annual Report and Accounts as at, and for, the 52 weeks ended 28 January 2017. A list of current directors is maintained on the Ted Baker Plc website, at: www.tedbakerplc.com

By order of the Board

R S Kelvin CBE
Founder and
Chief Executive
10 October 2017

Lindsay Page
Chief Operating Officer and
Group Finance Director
10 October 2017

INDEPENDENT REVIEW REPORT TO TED BAKER PLC

CONCLUSION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 12 August 2017 which comprises the Condensed Group Income Statement, the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Changes in Equity, the Condensed Group Balance Sheet, the Condensed Group Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 12 August 2017 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the "DTR") of the UK's Financial Conduct Authority ("the "UK FCA").

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

OUR RESPONSIBILITY

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

THE PURPOSE OF OUR REVIEW WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Sarah Rolls
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
10 October 2017


USING OUR BOTTLE

NOTES


EAT YOUR HEART OUT