

# LAURA ASHLEY

Annual Report 2008



# Retailer of the Year Award 2008



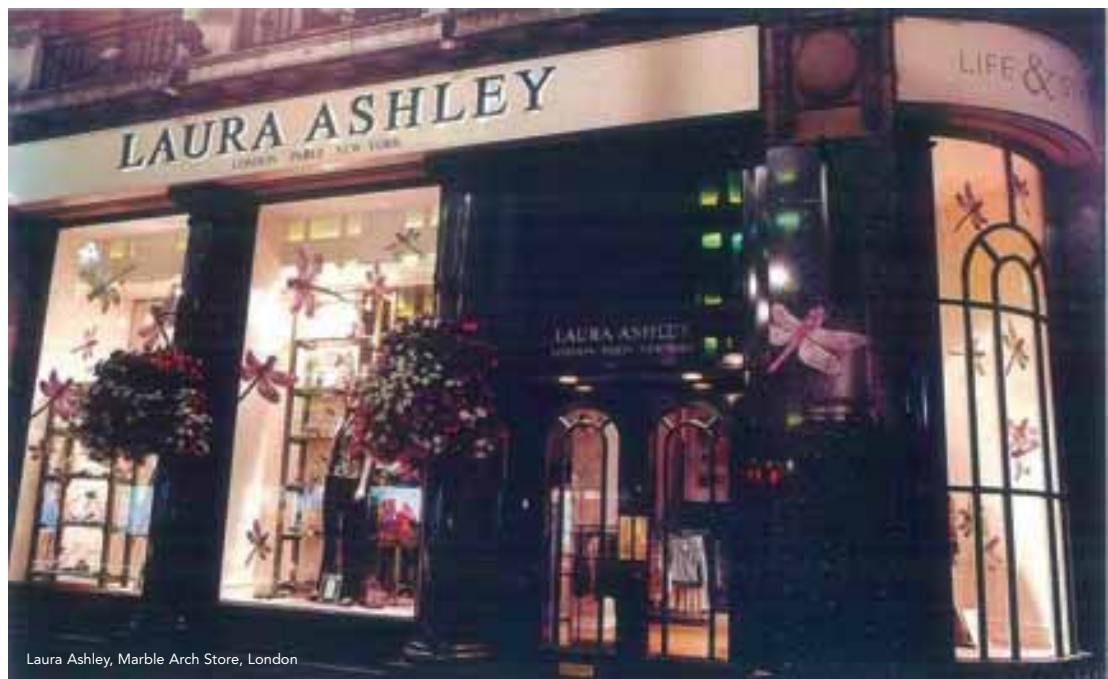
This category was launched only last year and has attracted a huge amount of interest from retailers and consumers alike. This year's winner receives the award for the second year running.

## Winner: Laura Ashley

Since it was voted the first-ever winner of the Retailer of the Year Award last year, Laura Ashley hasn't rested on its laurels. New additions to the collections demonstrate that, far from standing still, CEO Lillian Tan and her team are continuing to develop their ranges with a host of new design-led items, including furniture and accessories that are perfectly in tune with today's fashions. You only need to look at recently introduced pieces of upholstered furniture, such as the Eaton and Carrington sofas, Kempton chaise longue and Hampstead armchair, to realise that Laura Ashley is setting trends rather than following them. Across the company, from wallpapers and fabrics to new living

room furniture, the choice of products is constantly renewed and refreshed. In addition to excellent levels of service (the company offers an array of bespoke options giving consumers an amazing breadth of choice) and an impressive presence on the high street, Laura Ashley has succeeded in beating off stiff competition to win this coveted award for a second year. Its triumphant position proves that, with a combination of energy, passion and creativity, a much-loved 'heritage' brand can also be extremely innovative, and quick to capture the hearts of a new generation of home owners.

The text above is an extract from the announcement of the Homes & Gardens Design Award 2008.



Laura Ashley, Marble Arch Store, London

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# Corporate Information

## Board of Directors

Tan Sri Dr Khoo Kay Peng\*†

David Walton Masters\*†

Lillian Tan Lian Tee

David Cook

Roger Bambrough††

Sally Kealey\*†

Andrew Khoo†

Leonard Sebastian

Ng Kwan Cheong

*Chairman*

*Deputy Chairman*

*Chief Executive Officer*

*Finance Director*

\* Member of Remuneration Committee

† Member of Nomination Committee

† Member of Audit Committee

## Joint Company Secretaries

David Cook

Angela Ong Chwee Peng

## Registered Office

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Fulham

London SW6 2QA

Tel 020 7880 5100

## Registered Number

1012631

## Stockbrokers

Numis Securities Limited

London Stock Exchange Building

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London EC4M 7LT

## Principal Bankers

CIMB Bank Berhad

Ground and Lower Ground Floors

27 Knightsbridge

London SW1X 7YB

The Royal Bank of Scotland

15 Bishopsgate

London EC2P 2AP

## Auditor

Chantrey Vellacott DFK LLP

Chartered Accountants and

Registered Auditor

Russell Square House

Russell Square

London WC1B 5LF

## Registrar and Transfer Office

Computershare Investor

Services PLC

PO Box 82

The Pavilions

Bridgwater Road

Bristol BS99 7NH

Tel 0870 707 1110

## Website

[www.lauraashley.com](http://www.lauraashley.com)

# Summary

## Financial Highlights

- Total Group sales up 5.6% to £237.6 million (2007: £225.0 million)
- UK retail sales up 7.2% to £187.2 million
- UK retail like-for-like sales down 8.7% or down 5.9% after accounting for adjustments resulting from the continued store-realignment programme
- Margin rate continues to improve with a 2 percentage point increase this year
- Profit before tax up 62.3% to £19.8 million (2007: £12.2 million). This amount includes non-recurring items: profit £4.0 million (2007: loss £0.5 million)
- Final dividend proposed of 1.0 pence per share (20% of nominal value), making the total dividend 2.0 pence per share for the year (40% of nominal value) (2007: 1.0 pence per share)
- Continued strong cash generation and an ungeared balance sheet

## Operational Summary

- Store expansion and realignment programme succeeding. Position at 26 January 2008: 208 stores (751,000 sq. ft.) (2007: 189 stores (623,000 sq. ft.))
- Capital expenditure: £10.9 million invested in the business, including £1 million in new warehouse management system (2007: £5.6 million)
- Growing strength of online sales
- Ongoing sourcing improvements and better product mix
- 2007 and 2008 winner of the Homes & Gardens 'Retailer of the Year Award'

# HOME ACCESSORIES FURNITURE DECORATING FASHION



# Chairman's Statement

I am pleased to report for the financial year ended 26 January 2008, an increase in profit before taxation of 62.3% to £19.8 million, compared to £12.2 million in the previous year.

## Overview

I am pleased to report for the financial year ended 26 January 2008, an increase in profit before taxation of 62.3% to £19.8 million, compared to £12.2 million in the previous year. The profit of £19.8 million includes a pension credit of £2.3 million which has occurred as a result of a transfer value exercise that was completed on 16 July 2007. In addition, we have also benefited from gains on disposals of various properties and related assets amounting to £1.7 million.

Total group sales were up by £12.6 million (5.6%) to £237.6 million, compared to £225.0 million in the previous year. Margin rate continues to improve, with a 2 percentage point increase this year. The improved total retail sales position was primarily due to increased UK sales in all categories. For the year ended 26 January 2008, total UK store sales were up 7.2% to £187.2 million (LFL -8.7%). Total sales growth has primarily been driven by our store realignment programme. However, some of the new stores that we have opened have impacted sales from existing stores, which has impaired LFL sales. We believe a more accurate sales LFL, excluding existing stores impacted by new stores, to be -5.9%. Through our store realignment programme, we have increased total selling space and total sales in the UK. In addition, other than Furniture which has remained flat, margin rates across all other categories have increased year on year.

We have again increased margins as a result of our ongoing improvements in sourcing, more focused promotions and better product mix. In line with increased turnover and the addition of new stores, operating expenses (excluding the impact of non-recurring items) have increased by 7.8% to £97.3 million (2007: £90.2 million).

The Board has recommended a final dividend of 1.0 pence per share. When combined with the two interim dividends, both 0.5 pence, this takes the total dividend for the year to 2.0 pence per share (40% of nominal value) (2007: 1.0 pence per share).

## Product

The UK business is split into four main categories. The relative split of UK sales is as follows: Home Accessories 30%, Furniture 28%, Decorating 23% and Fashion 19%. In common with many retailers in the UK, we have experienced tough trading conditions that have adversely impacted sales performance in all product categories.

## Home Accessories

The Home Accessories product category includes lighting, gifts, bed linen, rugs, throws and cushions, and epitomises Laura Ashley's focus on distinctive, inspirational and quality product offerings.

During the year ended 26 January 2008, sales of Home Accessories were up 5.5% (LFL -10.0%). Our casual dining range, mirrored accessories, home fragrance and photo frames have all performed well, as has our recently launched toiletry range.

# HOME ACCESSORIES





# Chairman's Statement continued

Total group sales were up by £12.6 million (5.6%) to £237.6 million, compared to £225.0 million in the previous year.

Laura Ashley continues to seek inspiration from a wide variety of sources and we refresh a large proportion of our range every season. It is this innovation and willingness to take creative risks that makes Laura Ashley a leader in high-street design, particularly in lighting.

Margin improvement in this category has been driven both by better sourcing, which has resulted in higher intake margins, and by lower markdown levels.

## Furniture

The Furniture product category includes upholstered furniture, beds and cabinet furniture. Laura Ashley differentiates its offering from that of other retailers by the exciting use of colour and fabrics, and our mix of classic and contemporary furniture shapes.

Tough trading conditions have adversely impacted Furniture to a greater extent than the other product categories. During the year ended 26 January 2008, Furniture sales were up 0.5% (LFL -12.8%).

We continue to work on product differentiation and innovation in our furniture category. Our well-known ranges are regularly refreshed and updated to meet customer demand and to ensure that they remain relevant to contemporary living.

Laura Ashley also offers individual statement pieces which can be developed and complemented by other items of furniture in future. More direct overseas sourcing of certain furniture ranges has driven margin benefits.

# FURNITURE



# Chairman's Statement continued

We have again increased margins as a result of our ongoing improvements in sourcing, more focused promotions and better product mix.

## Decorating

This category includes curtains, fabric, paint, decorative accessories and wall coverings. During the year ended 26 January 2008, Decorating sales were up 6.9% (LFL -5.6%) reflecting the growing trend for customers to update rooms on a regular basis in line with changing fashions.

Laura Ashley was ahead of the recent wallpaper trend, and we have been building on this strength whilst continuing to add new designs to our archive. Statement wallpapers have continued to perform well. A new colour palette has been successful across numerous product categories and we have introduced a number of exciting decorative accessories.

Faster lead times and our UK manufacturing base for this category allow us to react quickly and effectively to consumer demand. The benefits of this strategy can be seen in the success of our Made-To-Measure curtain range.

We have seen margin rate growth due to changes in product mix and sourcing arrangements.

## Fashion

For the year ended 26 January 2008, UK retail Fashion sales increased by 7.7% (LFL -4.4%). The Fashion category has seen the largest improvement in margin rate, driven by a policy of restricting markdown largely to sale periods and the increased use of planned, in-season point-of-sale promotions.

In the spring summer season, dresses were amongst our strongest sellers, with both plain and printed woven linen dresses a particular success. In the autumn winter season, sales have been strong on our newly-expanded range of coats.

Our use of Laura Ashley archive prints in both seasons attracted a great deal of positive publicity and has refreshed the brand to attract an audience that is diverse in age and interests.

## UK Operations

### Retail Stores

At 26 January 2008, the property portfolio in the UK comprised 208 stores. We have three main store types: 110 mixed product stores (selling all product categories), 67 Home stores (selling the full range of Home products) and 31 Home concession stores.

During the year ended 26 January 2008, we opened 33 new stores totalling 157,000 square feet and closed 14 mainly smaller stores totalling 29,000 square feet. As a result, total selling space increased by 20% to 751,000 square feet.

We intend to continue our store development programme, subject to our normal property selection criteria.

### Direct

Our E-Commerce and Mail Order channels remain a vital part of our multi-channel retail strategy, now representing 11% of total UK retail sales. Total E-commerce and Mail Order sales were up 1.0% on last year. Within this figure and reflecting the trend we have seen over the last 4 years, E-Commerce sales were up 30.5% and Mail Order sales were down 13.5%.

We now have 529,000 registered E-Commerce customers (2007: 416,000). Our website and various catalogues remain important marketing tools for the brand.

# DECORATING



# Chairman's Statement continued

The Board has recommended a final dividend of 1.0 pence per share. This dividend will be paid, subject to shareholders approval, on 6 June 2008 to all shareholders on the register at the close of business on 9 May 2008.

## International Operations

### Franchising

At 26 January 2008, there were 204 franchised stores in 27 countries worldwide. Franchising continues to be an important part of the Laura Ashley brand and we are making good progress on the review of our franchise operations.

In the year ended 26 January 2008, Franchise revenues increased by 6.8% to £20.3 million.

### Licensing

In the year ended 26 January 2008, Licensing income decreased by 29.2% to £3.4 million due mainly to a fourth-quarter underperformance in North America.

### Dividend

The Board has recommended a final dividend of 1.0 pence per share. When taken with the first interim dividend of 0.5 pence per share and the second interim dividend of 0.5 pence per share (approved on 16 September 2007 and 16 January 2008 respectively), this takes the total dividend for the year to 2.0 pence per share (2007: 1.0 pence per share). This dividend will be paid, subject to shareholders approval, on 6 June 2008 to all shareholders on the register at the close of business on 9 May 2008. The Board will continue to review dividend payments on the basis of annual profitability, taking into account the future development of the business.

# FASHION



# Chairman's Statement continued

## Current Trading

For the 7 weeks to 15 March 2008, total retail sales increased by 5.2%. For the same period, like-for-like sales were down 8.8%. Margin rates have continued to improve.

The outlook for the UK economy is uncertain for 2008 so, whilst we are confident that our strong brand and product offering are compelling, we remain cautious about the general trading conditions on the high street for the year ahead.

## Retailer of the Year Award 2008

We are indeed very honoured and humbled to receive this prestigious award for the second year running. We would like to express our grateful thanks to all the Homes & Gardens readers across the country who voted for Laura Ashley. We pledge our commitment and dedication to continue to develop design-led, innovative product ranges combined with the highest level of customer service.

## Board of Directors

Ms Sally Cheong resigned as a non-executive director on 16 January 2008 after more than 8 years of service. The Board would like to express its sincere appreciation for her valuable contribution to the Group.

The Board welcomes the appointment of 2 new non-executive directors, Mr Leonard Sebastian and Mr Ng Kwan Cheong, and is confident that their mix of skills and experience will further enhance and complement those of the existing Board.

## Acknowledgements

I wish to convey my sincere appreciation to the staff and management of the Group for their dedication and commitment as well as to my fellow Board members for their continuing support and counsel. I would also like to extend my heartfelt gratitude to our customers and shareholders for their support, loyalty and confidence in our Group.

**Tan Sri Dr Khoo Kay Peng**  
*Chairman*

# Operating and Financial Review

## Financial Summary

	2008 £m	2007 £m
Revenue	237.6	225.0
Gross profit	111.8	101.9
Operating expenses	93.3	90.7
Profit from operations	18.5	11.2
Profit before taxation	19.8	12.2
Earnings per share	1.90p	1.08p
Capital expenditure	10.9	5.6
Retirement benefit liabilities	6.5	12.3
Net funds	29.2	31.5

Profit before taxation for the financial year ended 26 January 2008 was £19.8 million compared to £12.2 million for the previous year. Included within the reported £19.8 million profit is a non-recurring gain of £4.0 million. This non-recurring gain relates to the pension transfer value exercise (£2.3 million), sale of land, buildings and machinery (£0.4 million) and disposal of leasehold property interests (£1.3 million).

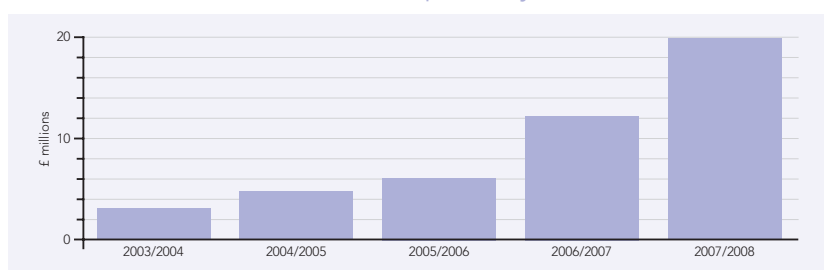
## Revenue and Operating Results

Total retail sales including Mail Order and E-Commerce were £212.4 million. UK retail store sales densities were £272 per square foot compared to £303 per square foot for the previous financial year. Non-retail sales amounted to £25.2 million and were £0.1 million lower than those of the previous financial year.

## Results

Revenue for the financial year ended 26 January 2008 was up by 5.6% to £237.6 million. Total gross profit for the financial year was £111.8 million or 9.7% higher than the previous financial year.

## Profit Before Taxation for the past 5 years



## Store Portfolio

Changes to the Group's store portfolio during the year were as follows:

Number of Stores	Continental		Total
	UK	Europe	
January 2007	189	3	192
Opened	33	1	34
Closed	(14)	(1)	(15)
<b>January 2008</b>	<b>208</b>	<b>3</b>	<b>211</b>

Net Square Footage ('000s)	Continental		Total
	UK	Europe	
January 2007	623	5	628
Opened	157	2	159
Closed	(29)	(2)	(31)
<b>January 2008</b>	<b>751</b>	<b>5</b>	<b>756</b>



Total store revenue for the UK operations amounted to £187.2 million, an increase of 7.2% over the previous year. Like-for-like store sales decreased by 8.7% as compared to the previous year. Mail Order and E-Commerce sales of £24.1 million were just ahead of the £23.8 million sales achieved in the previous year.

Operating expenses excluding non-recurring items of £4.0 million represented 41% of the Group's total sales as compared to 40% in the previous year.

### Taxation

The taxation charge for the year comprises UK taxation on current year's taxable profits, overseas taxes on the profits of dual resident subsidiary companies and the Group's share of the taxation charge on the profit of the associated company, Laura Ashley Japan Co. Ltd.

### Net Assets

Net assets of the Group as at 26 January 2008 amounted to £61.9 million, an increase of £0.2 million compared to the previous year. Non-current liabilities include a provision made in relation to retirement benefit obligations of £6.5 million, which was reduced by £5.8 million from £12.3 million as at the previous financial year-end, due mainly to the transfer value exercise.

### Cash and Banking

The Group's net cash flow during the year is shown below:

	2008 £m	2007 £m
Operating activities	10.9	16.9
Investing activities	(11.0)	(6.0)
Financing activities	(2.4)	(1.3)
Net cash (outflow)/inflow	(2.5)	9.6

The movement in the Group's cash balances during the year is set out below:

	2008 £m	2007 £m
Opening net funds	31.5	21.6
Net cash (outflow)/inflow	(2.5)	9.6
Cash inflow from changes in loans and leases	0.2	0.3
Closing net funds	29.2	31.5

During the financial year ended 26 January 2008, the Company paid dividends amounting to £11.1 million to shareholders. Total capital expenditure for the financial year ended 26 January 2008 was £10.9 million, which was higher than the previous year by £5.3 million due mainly to the 34 new stores opened.

### Treasury

The Group's treasury strategy is controlled through a Treasury Committee that meets regularly and is chaired by the Chief Executive Officer. The Treasury function arranges funding for the Group and provides a cash balance service to all operating units. The overall objective is to control interest costs and to minimise foreign exchange exposure. All surplus cash is invested to achieve maximum return.

### International Financial Reporting Standards ("IFRS")

The financial statements of the Group for the financial year ended 26 January 2008 and the comparative information for 2007 were prepared in accordance with IFRS adopted for use in the EU. The Directors are not aware of any Standard or Interpretation in issue but not yet effective that would materially impact upon the financial statements.

# Directors' Report

The Directors present their Annual Report and audited financial statements for the financial year ended 26 January 2008.

## Principal Activities

The principal activities of the Group continue to be the design, manufacture, sourcing, distribution and sale of clothing, accessories and home furnishings. Operating companies are situated in the United Kingdom, Ireland and Continental Europe.

## Results for the Financial Year and Business Review

The Group's results are shown in the Group Income Statement on page 36. A full review of the Group's operations is included within the Chairman's Statement and the Operating and Financial Review. The profit before taxation for the financial year ended 26 January 2008 was £19.8 million (2007: £12.2 million).

## Dividends

The Company paid its first interim dividend for the financial year ended 26 January 2008 of 0.5 pence per share (10% of nominal value) to shareholders on 12 October 2007 (2007: 0.5 pence per share).

Subsequently, a second interim dividend of 0.5 pence per share (10% of nominal value) was paid to shareholders on 15 February 2008 (2007: nil).

Further, the Board recommends a final dividend for the financial year ended 26 January 2008 of 1.0 pence per share (20% of nominal value) to be paid to all shareholders on the register at the close of business on 9 May 2008, on 6 June 2008, subject to shareholders approval on 2 June 2008 (2007: 0.5 pence per share).

## Future Developments

The Chairman's Statement details the proposed developments

intended for the Group in the foreseeable future.

## Directors

The names of the Directors of the Company are shown on page 2.

In accordance with the Company's Articles of Association, Ms Lillian Tan Lian Tee and Ms Sally Kealey will retire by rotation and, being eligible, are offering themselves for re-election at the Annual General Meeting (AGM). Mr Leonard Sebastian and Mr Ng Kwan Cheong will offer themselves for election at the AGM in accordance with the Articles of Association of the Company.

Details of the Directors are as follows:

**Tan Sri Dr Khoo Kay Peng**, 69, Non-Executive Chairman, joined the Board in February 1999. He is the Chairman and Chief Executive of The MUI Group, which is a diversified group with business interests in the Asia Pacific region, the United States of America and the United Kingdom. He is also the Chairman of Corus Hotels Limited, UK and Morning Star Resources Limited, Hong Kong. Tan Sri Dr Khoo is a director of Pan Malaysian Industries Berhad, Malaysia, SCMP Group Limited (South China Morning Post) and The Bank of East Asia, Limited in Hong Kong. Previously, Tan Sri Dr Khoo had served as the Chairman of the Malaysian Tourist Development Corporation (a Government Agency), the Vice Chairman of Malayan Banking Berhad (Maybank) and a Trustee of the National Welfare Foundation. Tan Sri Dr Khoo is a board member of Northwest University, Seattle, USA as well as a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. Tan Sri Dr Khoo is Chairman of the Nomination and Remuneration Committees.

**Mr David Walton Masters, 64,** Non-Executive Deputy Chairman of the Company, joined the Board in March 1998. He was appointed Executive Deputy Chairman of Corus Hotels Limited on 1 April 1999 and resigned his position in April 2002. He is the Executive Chairman of HCM Asset Management Limited and a Non-Executive Chairman of Newland Financial Group. He is also a director of InvestSelect plc, City of London Group plc and Avid Holdings plc. Mr Walton Masters was formerly a Managing Partner at Phillips & Drew, in charge of the International Department, Chief Executive of County NatWest Securities, Executive Chairman of Coast Securities and Managing Director of Morning Star Investment Management Limited. Mr Walton Masters is Chairman of the Audit Committee and a member of the Remuneration Committee.

**Ms Lillian Tan Lian Tee, 54,** was appointed as a Non-Executive Director on 21 April 2004 and subsequently, appointed as Chief Executive Officer on 1 February 2005. Ms Tan holds a Masters Degree in Business Administration from the University of Western Sydney, Australia. She is a Fellow of the Chartered Insurance Institute (UK) and also a Fellow of the Malaysian Insurance Institute. She served the insurance industry from 1977 to 2000 and was the Chief Executive Officer of MUI Continental Insurance Berhad before joining as Managing Director of the Management Services Division in The MUI Group in 2000. From 2002 to 2004 she was the Managing Director and Chief Executive Officer of Metrojaya Berhad, one of the most successful retailers in Malaysia. She also sits on the boards of London Vista Hotels Limited (UK) and Metrojaya Berhad (Malaysia).

**Mr Roger Bambrough, 71,** a Chartered Accountant, joined the Company as a Non-Executive Director on 15 July 2004. He is currently a Non-Executive Director of Corus Hotels Limited. He previously held a number of directorships within the Blue Circle and YTL Groups, both in Malaysia. His earlier career was with Peat Marwick Mitchell (now KPMG) and he has served in a number of senior finance and audit positions in the UK, including as the Financial Controller of Blue Circle Overseas and Group Controller of Audit and Business Services in the Blue Circle Group. Mr Bambrough was previously an advisor to the Overseas Development Administration, the aid agency of the Foreign & Commonwealth Office and he has also been a director of the Commonwealth Partnership for Technology Management. Mr Bambrough has played an active role in forging relationships between Malaysia and the United Kingdom through his participation in The British Malaysian Society. He is a member of the Audit and Nomination Committees.

**Ms Sally Kealey, 49,** joined the Company as a Non-Executive Director on 28 October 2004. Ms Kealey previously served as an executive of Laura Ashley Limited for a period of 13 years until 1996 and has held the post of Home Furnishings Design Director. During her time with the Company, she worked very closely with the late Laura Ashley. Ms Kealey is a member of the Nomination and Remuneration Committees.

**Mr Andrew Khoo, 35,** was appointed Non-Executive Director of the Company on 27 April 2005. Mr Khoo, who holds an MBA from Seattle Pacific University, is a law graduate from Cambridge University and a Barrister-at-Law called to Lincoln's Inn in 2002. He

was previously the general manager of County Hotel Epping Forest, and later worked in Corus Hotel Limited as Special Assistant to the Chief Executive Officer. In 2003, Mr Khoo was Director of Corporate Affairs in Laura Ashley Holdings plc. Mr Khoo is currently President and Chief Executive Officer of Cambridge Alliance Developments Ltd in Canada, a property development company primarily engaged in the acquisition, development, construction and sale of residential and commercial property. He is also a director of Laura Ashley (North America) Inc. He is a member of the Audit Committee.

**Mr David Cook, 42,** a Chartered Accountant, was appointed to the Board as Finance Director on 16 June 2006. He joined the Company in July 1999 with responsibility for providing finance support to the UK retail operation. The following year, his role was expanded to cover Continental Europe. Following the rationalisation of the European operations and the creation of a centralised finance function in the UK, he was promoted to Chief Financial Officer in March 2003. Prior to joining Laura Ashley, he was Finance Director for two Telstar Group companies involved in music wholesale/export. He joined Telstar in 1991, having previously worked as an accountant in public practice.

**Mr Leonard Sebastian, 39,** a lawyer, was appointed to the Board as a Non-Executive Director on 16 January 2008. He was a senior equity partner of Denton Wilde Sapte until 2007 and he is now the Group Chief Legal Counsel of London and Regional, a leading investment company where he is also an executive director. He obtained a LLB degree from University of London (LSE) and a Masters in Law from Cambridge University.

# Directors' Report continued

**Mr Ng Kwan Cheong**, 59, was re-appointed to the Board as a Non-Executive Director on 26 March 2008. He was the Chief Executive Officer of Laura Ashley Holdings plc from 1999 to 2003. He was appointed Non-Executive Director of Corus Hotels Limited in 1999 and resigned his position in 2003. Prior to that, he was the Managing Director of Metrojaya Berhad, the retailing arm of The MUI Group. He is a graduate of Middlesex University.

## Directors' Interests

Save as disclosed in Note 31 to the Accounts and the Executive Directors' service contracts, none of the Directors has, or has had during the financial year, a material interest in any contract of significance relating to the business of the Company or its subsidiaries.

The table on page 30 which shows the Directors' interests in the shares of the Company, forms part of this Report.

## Employees

The Group believes in the policy of equal opportunities. Recruitment and promotion are undertaken on the basis of merit regardless of gender, race, age, marital status, sexual orientation, religion, nationality, colour or disability. If an employee becomes disabled during the course of their employment, adjustments are made where possible to enable such employee to carry on working despite their disability.

The Group is committed towards encouraging learning and development of employees at all levels. As such, wherever possible, the Group attempts to assist employees in achieving nationally recognised qualifications. Every effort is made to offer satisfying career progression for all those demonstrating the skills and capabilities required. It is Group policy that there should

be effective communication with all employees.

## Charitable and Political Donations

The Company has had for a number of years, a policy of supporting selected local and national charities. During the financial year ended 26 January 2008, the Group donated unsold stock to Newlife, a UK based child health and research charity, which helps babies and families dealing with birth defects. The Company also supports the Marie Curie Cancer Care foundation. Donations to both bodies in the course of the year were valued at approximately £120,000 (2007: £100,000).

The Company launched its limited edition silver plated bramble brooch at the end of 2006. Following the success of its bramble brooch launch, the Company went on to launch a limited edition silver plated bramble key ring in 2007. It agreed to donate 15% of all sales of brooches and key rings to Plantlife, a UK charity, to support their work in protecting wild plants and flowers. The total amount donated to Plantlife during the financial year ended 26 January 2008 was £16,724 (2007: £nil).

The Company also participated in the 'Fashion Targets Breast Cancer' campaign which was launched during the financial year ended 26 January 2008. A total amount of £15,000 was raised for the organiser, namely Breakthrough Breast Cancer.

No contributions were made for political purposes (2007: £nil).

## Health & Safety

The Group is committed to comply with relevant health and safety legislation and to provide a safe environment for all its employees, customers and visitors to its premises.

The Group's policies with regard to health and safety are regularly reviewed and updated to meet changing business needs and new legislation.

## Environment

The Group places a high level of importance on environmental considerations. It is continuously seeking improvements in its operations to become an environmentally conscious organisation.

## Ethics

The Group is committed to the practice of Ethical Supply Chains. The principles of Ethical Supply Chains are accordingly reflected in our relationships with suppliers, and are embodied in our Supplier Manuals. In particular, the areas covered include Employee Rights, Environmental Issues, Working Conditions, Dormitory Conditions, Access and Home Workers in line with International Labour Organisation (ILO) guidelines. New suppliers are evaluated before any contractual obligations are initiated. Work in this area is on-going and the Group continues to take steps to ensure that developments within these areas are closely monitored and implemented where necessary.

## Significant Interests

Except as specified below, the Directors are not aware of any interest amounting to 3% or more of the issued share capital of the Company.

As at 26 March 2008	Number of Ordinary Shares	Percentage of Issued Share Capital**
MUI Asia Limited	255,938,185	34.90%
Bonham Industries Limited*	183,870,822	25.08%
GAM London Limited	50,376,494	6.87%
Aeon Co. Limited	35,220,606	4.80%
Goldenpalace Holdings Limited	29,500,000	4.02%

\* KKP Holdings Sdn. Bhd., Soo Lay Holdings Sdn. Bhd. and Tan Sri Dr Khoo Kay Peng are each interested in these shares.

\*\* Excluding 12,772,500 treasury shares.

## Auditor

A resolution proposing the re-appointment of Chantrey Vellacott DFK LLP as auditor to the Company and to authorise the Directors to determine the audit fee will be put to the AGM.

## Disclosure of Information to Auditor

In the case of the Directors who were Directors at the date this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 1985 (the Act)) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## FTSE4Good

The Group remains included in the FTSE 4 Good UK benchmark index for socially responsible investment.

## Risk Management

The internal risk management function has day-to-day links across the Group and advises on all relevant risk issues. The department has regular communication with internal departments and external advisory

bodies and regulators. It also has access to external support, where required, in order to ensure that standards are maintained and issues raised are discussed and, where necessary, implemented. The Group's policies on financial instruments are set out in the accounting policies on page 33.

## Business Continuity

The Business Continuity Plan is continuously updated and implemented throughout the Group. A regular audit of the plan is undertaken to ensure that management teams are kept informed of any changes that will have an impact on their respective areas of operations.

## Communications

The Company places a great deal of importance on communication with its shareholders. The Company publishes a concise financial statement for its half year results and a full report for its full year results. Both reports are mailed to shareholders and are accessible via the Company's website at [www.lauraashley.com](http://www.lauraashley.com). Shareholders also have direct access to the Company via its free shareholder information telephone service.

All shareholders have the opportunity to ask questions and make suggestions at the Company's AGM.

## Going Concern

The Board is of the opinion that the Group will have sufficient funding to meet its working capital needs. As a result, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

# Directors' Report continued

## Supplier Payment Policy

The Group's policy on payment practices is as follows:

- 1) terms of payment will be agreed with suppliers when opening an account with them;
- 2) each supplier will be made fully aware of such terms;
- 3) for major contracts, payment terms will be agreed on an individual transaction basis; and
- 4) the Group will comply with payment terms agreed for existing and new accounts when it is satisfied that the supplier has provided goods or services in accordance with the agreed terms. Copies of the Group's standard payment terms, incorporated into its standard trading terms and conditions, may be obtained from the Registered Office during normal working hours.

The Group's trade payable days figure at 26 January 2008 (based on the ratio of the aggregate of the amounts owed to suppliers at such date to the aggregate of the amounts invoiced by suppliers during the financial year) was equivalent to 34 days (2007: 41 days). The Company had no trade payables at 26 January 2008.

## Directors' Responsibilities

The Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit or loss, total recognised gains or losses and cash flows of the Group for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial

statements for the financial year ended 26 January 2008.

The Directors also confirm that applicable accounting standards have been followed.

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 Act. They are also responsible for safeguarding the assets of the Company and of the Group and for taking reasonable steps to prevent and detect fraud and other irregularities.

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

The Directors are also aware of the additional duties and obligations incorporated under the new Companies Act 2006 where the first stage of implementation was on 1 October 2007. The Directors will continue to be advised by the Company Secretaries of further new requirements and provisions as they come into force. The Directors believe that compliance with regulatory requirements will complement their overall duty to ensure the success of the Company meeting its objectives.

## Authority to Allot Shares

The Act provides that the directors of a company may not allot shares unless empowered to do so by the shareholders. The Board is proposing the adoption of Resolution 13 in the Notice of the 2008 AGM set out on pages 57 to 58, so as to give the

Directors unconditional authority to allot ordinary shares up to an aggregate nominal value of £12,309,583.57 representing 33% of the issued share capital at 26 March 2008. The Directors have no present intention to issue any such ordinary shares.

The Act also provides that, unless shareholders otherwise consent, new shares allotted for cash must be offered to shareholders in proportion to their existing holdings. Resolution 14 authorises the Directors to allot equity securities for cash otherwise than on a pro rata basis up to an aggregate nominal value of £3,730,176.84, equal to 10% of the nominal value of the issued share capital of the Company at 26 March 2008. Resolution 14 also authorises the Directors, in the case of rights issues, open offers or otherwise to ordinary shareholders, to allot shares where necessary other than strictly in accordance with the pre-emptive provisions set out in the Act – for example, where shareholders are resident in foreign jurisdictions which prohibit the shares being offered to them.

Similar resolutions to those described above were passed at the last AGM. If these resolutions are adopted, the powers conferred by them will continue until the conclusion of the next AGM or 15 months from the date of passing the resolutions, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting).

### Authority to Purchase Own Shares

The Notice of the AGM 2008 also includes Resolution 15 authorising the Directors to make market purchases of the ordinary shares in the Company, up to a maximum of 15% of the issued share capital of the Company as at 26 March 2008

in accordance with Section 166 of the Act. This power will only be exercised if and when, in the light of market conditions prevailing at the time, the Directors are of the belief that such purchases would increase earnings per share and would be for the benefit of the shareholders in general.

Pursuant to the Act, the Company has the choice of either cancelling repurchased shares or holding them as treasury shares (or both).

If this resolution is adopted, the powers conferred by it will continue until the conclusion of the next AGM or 15 months from the date of passing the resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting).

During the financial year ended 26 January 2008, the Company purchased 8,772,500 (2007: 4,000,000) of its own shares.

### Action to be taken

You will find enclosed a Form of Proxy for use by each shareholder at the AGM. Whether or not you intend to be present at the meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions thereon, and to return it as soon as possible but in any event so as to arrive at the Company Registrars by 2.00 pm on 29 May 2008. The completion and return of a Form of Proxy will not preclude you from attending the AGM and voting in person should you so wish.

By Order of the Board

**David R Cook**

**Angela Ong Chwee Peng**

*Joint Company Secretaries*

26 March 2008

# Report on Corporate Governance

## Compliance

The Board endorses The Combined Code on Corporate Governance (the Code). During the financial year, the Company has complied with the provisions set out in the Code, except to the extent disclosed below.

## The Board

The Board comprises the Chairman, Deputy Chairman, five Non-Executive Directors and two Executive Directors who are the Chief Executive Officer and the Finance Director of the Company.

The Board has five scheduled meetings a year, but meets more frequently when business requires, and has full and timely access to all relevant information to enable it to carry out its duties.

The Board is responsible for the overall performance of the Group, which includes the broad strategic direction, development and control of the Group. The policies and strategies of the Company are formulated by the Board. More detailed considerations to do with the running of the day-to-day business of the Company are delegated to the Management Committee under the leadership of the Chief Executive Officer. The Board governs the Management Committee by regularly monitoring the implementation of strategy and policy decisions to ensure that the operation of the Company is at all times in line with the Company's objectives.

The Board has regular contact with the Company Secretaries for their services and advice. The Company Secretaries are responsible for advising the Board on corporate governance matters and ensuring that Board procedures are followed

and that applicable rules and regulations are complied with. The Board also has access to professional advice within the Company and externally. This advice is sought via the Company Secretaries. The Company purchases appropriate insurance cover in respect of legal action against its Directors. The Board decides on the appointment and removal of Company Secretaries.

The Chairman's main function is to manage the Board so that the Company is run in the best interest of its stakeholders. It is also the Chairman's responsibility to ensure the Board's integrity and effectiveness.

## Non-Executive Directors / Board Independence

The Company is fortunate in having the services of its Non-Executive Directors who provide an important contribution to the strategic development of the Group.

The Non-Executive Directors have access to the Chairman if they wish to discuss specific issues regarding the performance of the Executive Directors. Where required, meetings between Non-Executive Directors without the presence of the Chairman or the Executive Directors can easily be convened.

Under the provisions of the Code on small companies, the Company must have at least two independent non-Executive Directors on the Board. The Board is of the view that Mr David Walton Masters, Mr Roger Bambrough, Ms Sally Kealey and Mr Leonard Sebastian are independent Directors and accordingly are able to provide an independent view on matters discussed and decisions taken at Board level. The Board is of the opinion that Mr David Walton Masters' judgement as an independent director is not affected

notwithstanding the fact that he has served the Board for more than nine years since his first election. He will retire in accordance with provision A.7.2. of the Code and will seek a re-election as a Director at the AGM. The Board also recognises Mr David Walton Masters as the Senior Independent Director.

As part of a subscription exercise that was undertaken in May 1998, a Continuing Relationship Agreement was entered into between the Company, MUI Asia Limited (a 100% subsidiary of Malayan United Industries Berhad) and Malayan United Industries Berhad (The MUI Group). The Agreement gives The MUI Group the right to appoint directors to the Board. The MUI Group is currently entitled to appoint three directors and their replacements. Tan Sri Dr Khoo Kay Peng, Mr Andrew Khoo and Mr Ng Kwan Cheong are Directors appointed in fulfilment of this right.

## Directors' Elections

Any new Director appointed during the financial year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next AGM. The Articles also require that one-third of the Directors retire by rotation each year and seek re-election at the AGM. The Directors required to retire will be those in office longest since their previous re-election and this will usually mean that each Director retires at least once in every three years, although there is no absolute requirement to this effect. In order to fully comply with the Code, it is the Company's policy that every Director should submit themselves for re-election at least once in every three years.



## Directors' Attendance

The attendance of Directors from 28 January 2007 to 26 March 2008 are set out below:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended
Tan Sri Dr Khoo Kay Peng	7	7	–	–	2	2	2	2
Mr David Walton Masters	7	7	6	6	2	2	–	–
Ms Lillian Tan Lian Tee	7	7	–	–	–	–	–	–
Ms Sally Cheong Siew Mooi <sup>(1)</sup>	7	5	6	4	–	–	2	0
Mr Roger Bambrough	7	7	6	6	–	–	2	2
Ms Sally Kealey	7	7	–	–	2	2	2	2
Mr Andrew Khoo <sup>(2)</sup>	7	7	6	1	–	–	–	–
Mr David Cook	7	7	–	–	–	–	–	–
Mr Leonard Sebastian <sup>(3)</sup>	7	1	–	–	–	–	–	–
Mr Ng Kwan Cheong <sup>(4)</sup>	7	–	–	–	–	–	–	–

<sup>(1)</sup> Ms Sally Cheong Siew Mooi resigned on 16 January 2008.

<sup>(2)</sup> Mr Andrew Khoo was appointed as a member of the Audit Committee on 16 January 2008.

<sup>(3)</sup> Mr Leonard Sebastian was appointed as a Non-Executive Director on 16 January 2008.

<sup>(4)</sup> Mr Ng Kwan Cheong was appointed as a Non-Executive Director on 26 March 2008.

The Directors who will be seeking re-election at the AGM this year have had their performance appraised by the Chairman of the Company, who believes that these persons have contributed effectively to the Board and are committed to the best interests of the Company.

### Board Performance Evaluation

During the year ended 26 January 2008, the Board undertook an evaluation of its own performance and its individual Directors including the Chairman.

### Board Committees

The Board has delegated specific responsibilities to the Audit, Nomination and Remuneration Committees. The Board considers that all the members of each Committee have the appropriate experience and none of them has interests which conflict with their positions on the Committees. All Board Committees have their own terms of reference, which are available from the Company Secretaries upon request.

### Nomination Committee

The Nomination Committee, the membership and quorum of which is a majority of Non-Executive Directors, meets as required to decide and give recommendations to the Board on all matters relating to the selection, number, appointment and removal of Executive and Non-Executive Directors to the Board. The

recommendations of the Nomination Committee are then put to the full Board, which considers them before any appointment is made. External search consultancies or open advertising have not been used in the appointment of Directors.

Mr Leonard Sebastian was appointed as an independent Non-Executive Director on 16 January 2008. His appointment was proposed by the Nomination Committee and thereafter approved by the Board.

Mr Ng Kwan Cheong was appointed as a Non-Executive Director on 26 March 2008. His appointment was also proposed by the Nomination Committee and thereafter approved by the Board.

The members of the Nomination Committee during the financial year were Tan Sri Dr Khoo Kay Peng

# Report on Corporate Governance continued

(Chairman), Mr Roger Bambrough, Ms Sally Kealey and Ms Sally Cheong Siew Mooi (resigned on 16 January 2008).

## Remuneration Committee

The Remuneration Committee meets at least once a year and is responsible for advising on the remuneration policy for Directors only. The Remuneration Committee considers any remuneration package before it is offered to a potential appointee. It does not set or monitor the level or structure of remuneration for members of senior management. Members of the Remuneration Committee during the financial year were Tan Sri Dr Khoo Kay Peng (Chairman), Mr David Walton Masters and Ms Sally Kealey. In compliance with the Code, there are at least two independent Non-Executive Directors on the Committee and they are Mr David Walton Masters and Ms Sally Kealey.

Details of the level and composition of the Directors' remuneration are disclosed in the Directors' Remuneration Report on page 28.

## Audit Committee

The Audit Committee meets at least three times a year. The Chief Executive Officer, Finance Director, Head of Internal Audit and the Company's external auditors attend the meetings of the Committee at the invitation of the Committee's Chairman.

The members of the Audit Committee during the financial year were Mr David Walton Masters (Chairman), Mr Roger Bambrough, Ms Sally Cheong Siew Mooi (resigned on 16 January 2008) and Mr Andrew Khoo (appointed on 16 January 2008).

In compliance with the Code, two are independent Non-Executive Directors,

one of which has substantial financial knowledge and experience.

The Audit Committee undertakes a number of duties to ensure the satisfactory discharge of its responsibilities. It is the duty of the Committee to ensure that the integrity of the financial statements of the Company is duly monitored. This involves the review of all financial statements relating to the Company's performance. It assists the Board in ascertaining that the Group's financial systems provide accurate information on its financial position and that its published financial statements represent a true and fair reflection of this position.

The Committee is also responsible for regularly reviewing the effectiveness of the Company's internal controls. The Committee has regular dialogues with the Head of Internal Audit and is involved in the assessment and implementation of any internal audit plan.

The Committee has the primary responsibility for making a recommendation on the appointment, re-appointment and removal of the external auditor. The Committee meets regularly with the external auditor for the purpose of discussing matters relating to the financial reporting and internal controls of the Company. It also assists the Board in ensuring that appropriate accounting policies, internal controls and compliance procedures are in place and in assessing the cost effectiveness, independence and objectiveness of the external auditor.

The Audit Committee Chairman reports verbally to the Board on the main issues of any Audit Committee meeting held immediately prior to

the relevant Board meeting. The finalised Audit Committee meeting minutes are circulated to Board members for their information.

## Internal Control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement and loss. The Company monitors the headline issues of health and safety, environment, ethics and risk management.

The Directors have sought to establish clear operating procedures, lines of responsibility and delegated authority. In particular, procedures exist for:

- monthly financial reporting, within an annual budgeting and annual forecasting process;
- maintaining day-to-day financial control of operations between a framework of defined financial policies and procedures on key business activities;
- business wide risk management policy and standards;
- procedures for planning, approving and monitoring major projects; and
- regular performance monitoring, with remedial action taken where necessary.

In addition, the Board also takes the necessary steps to ensure that reviews are carried out on the various systems of internal control that are currently in place throughout the Company. The Company has a whistle-blowing policy in place, which has been

communicated to all Group employees. This policy enables employees to raise any concerns that they have in confidence, on methods of financial reporting or other matters.

At regular intervals, both the Board and the Audit Committee consider a risk management update report which gives an assessment on whether the internal control elements for risk management have been met. The Board believes that the information provided in such updates is in accordance with the Turnbull Guidance.

## Relations with Shareholders

The Company continues to maintain good communications with shareholders. The Laura Ashley website provides up-to-date information on the Group. The Company endeavours to despatch the Notice of AGM at least 20 working days before the meeting.

The Board considers the AGM to be an opportunity to meet and communicate with investors, giving shareholders the opportunity to raise with the Board any issues or concerns they may have. The Chairmen of the Audit, Nomination and Remuneration Committees will be available at the AGM to answer any queries raised.

In accordance with the provision of the Code, the Company will provide an indication at the AGM of the level of proxies lodged on each resolution. All shareholders have direct access to the Company and receive a copy of the Annual Report, which contains the full financial statements of the Company. At the Company's AGM, shareholders are given the opportunity to express their views and ask question pertaining to the Company and its businesses.

# Directors' Remuneration Report

## Remuneration Committee

The remuneration of each Director is determined by the Remuneration Committee. The membership of the Committee comprises entirely of Non-Executive Directors. The current members of the Remuneration Committee are Tan Sri Dr Khoo Kay Peng, Mr David Walton Masters and Ms Sally Kealey.

## Policy on Remuneration of Directors

The Remuneration Committee sets the overall policy on remuneration and other terms of employment of Directors. It does not set or monitor the level or structure of remuneration for members of senior management. The Remuneration Committee aims to ensure that the remuneration packages offered are competitive and designed to attract, retain and motivate Directors of the right calibre.

Remuneration for Non-Executive Directors consists of fees for their services in connection with Board and Committee meetings. These fees are to be determined by the Committee without the involvement of the Non-Executive Directors concerned. Non-Executive Directors do not participate in any Group pension or share option schemes.

The Remuneration Committee takes account of remuneration and benefits information in the marketplace when assessing pay and benefits within the Group.

## The Main Components

The main remuneration components are:

### i) Basic Salary or Fees

Basic salary or fees for each Director is determined by the Remuneration Committee, taking into account the performance of the individual

and information from independent sources on the rates of salary for similar posts.

### ii) Annual Bonus

The Company did not consider it appropriate to have a formal bonus scheme in place for the financial year on which it is reporting. However, Executive Directors were paid bonuses amounting to £45,000 during the financial year ended 26 January 2008 as approved by the Board (2007: £30,000).

### iii) Share Options

No options were granted to any Directors during the financial year (2007: nil).

## Company Policy on Contracts of Service

No Executive Director of the Company has a notice period in excess of 12 months under the terms of his or her service contract. There are no Executive Directors' service contracts containing provisions for pre-determined compensation on termination, which exceeds one year's salary and benefits in kind. Non-Executive Directors do not have service contracts with the Company, but have letters of appointment for a period of two or three years.

	Expiry Date
Tan Sri Dr Khoo Kay Peng	February 2011
Mr David Walton Masters	May 2009
Mr Roger Bambrough	July 2008
Ms Sally Kealey	October 2008
Mr Andrew Khoo	April 2008
Mr Leonard Sebastian	January 2010
Mr Ng Kwan Cheong	March 2010

All the Directors are subject to retirement by rotation.

## Company Policy on External Appointments

The Company recognises that its Directors are likely to be invited to become non-executive directors of other companies and that exposure to such non-executive duties can broaden their experience and knowledge, which will benefit the Group. Executive Directors are, therefore, subject to approval of the Company's Board, allowed to accept non-executive appointments, as long as these are not with competing companies and are not likely to lead to conflicts of interest. Executive Directors are allowed to retain the fees paid.

## Company Pensions Policy Regarding Executive Directors

The Chief Executive Officer and Finance Director are the only

Executive Directors of the Company, and they receive pension benefits as stated on page 29.

## Taxable Benefits

Executive Directors are entitled to a range of taxable benefits, which include the provision of a company car (or a cash alternative), housing allowance and private medical insurance.

## Performance Graph

The following graph shows the Company's performance, measured by total shareholder return, compared with the performance of the FTSE General Retail Index for the period March 2003 to March 2008.

## Audited Information

Details of the Directors' shareholding interests and remuneration for the financial year ended 26 January 2008 are disclosed on pages 28 to 30 and have been audited by the Group's external auditor.



# Directors' Remuneration Report continued

## Directors' Emoluments

The figures below represent emoluments earned as Directors during the relevant financial year and relate to the period of each Director's membership of the Board. Such emoluments are normally paid in the same financial year except for bonus payments which relate to the previous financial year. Benefits incorporate all benefits assessable to tax arising from employment by the Company.

	Salary and Fees £000	Benefits £000	Bonus £000	Housing £000	2008 Total £000	2007 Total £000
<b>Executive Directors</b>						
Ms Lillian Tan Lian Tee	149	27	30	36 <sup>(1)</sup>	242	218
Mr David Cook	108	26	15	–	149	87
<b>Sub-total</b>	<b>257</b>	<b>53</b>	<b>45</b>	<b>36<sup>(1)</sup></b>	<b>391</b>	<b>305</b>
<b>Non-Executive Directors</b>						
Tan Sri Dr Khoo Kay Peng	100	–	–	–	100	100
Mr David Walton Masters	30	–	–	–	30	30
Mr Roger Bambrough	15	–	–	–	15	14
Ms Sally Kealey	15	–	–	–	15	14
Mr Andrew Khoo	15	–	–	–	15	14
Mr Leonard Sebastian <sup>(2)</sup>	1	–	–	–	1	–
Mr Ng Kwan Cheong <sup>(3)</sup>	–	–	–	–	–	–
Ms Sally Cheong Siew Mooi <sup>(4)</sup>	14	–	–	–	14	18
Former Director	–	–	–	–	–	24
<b>Sub-total</b>	<b>190</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>190</b>	<b>214</b>
<b>Total</b>	<b>447</b>	<b>53</b>	<b>45</b>	<b>36<sup>(1)</sup></b>	<b>581</b>	<b>519</b>

## Notes

<sup>(1)</sup> This represents a housing allowance.

<sup>(2)</sup> Mr Leonard Sebastian was appointed as a Non-Executive Director on 16 January 2008.

<sup>(3)</sup> Mr Ng Kwan Cheong was appointed as a Non-Executive Director on 26 March 2008.

<sup>(4)</sup> Ms Sally Cheong Siew Mooi resigned on 16 January 2008.

Each Director was a member of the Board for the whole year, with the exception of Mr Leonard Sebastian (appointed on 16 January 2008), Mr Ng Kwan Cheong (appointed on 26 March 2008) and Ms Sally Cheong Siew Mooi (resigned on 16 January 2008).

## Directors' Pension Benefits

Two Executive Directors, Ms Lillian Tan Lian Tee and Mr David Cook, earned pension benefits in schemes sponsored by the Company during the financial year ended 26 January 2008. The Company contributes a sum equal to 10% of Ms Lillian Tan Lian Tee's basic salary to her nominated private pension scheme. For the financial year ended 26 January 2008, the total pension benefits relating to Ms Lillian Tan Lian Tee amounted to £14,953 (2007: £13,700). Mr David Cook's pension benefits are set out below:

	2008 £000	2007 £000
<b>Defined Benefit Scheme<sup>(2)</sup></b>		
Opening balance of accrued pension	9.1	8.6
Closing balance of accrued pension	10.0	9.1
Increase in accrued pension during the financial year	0.9	0.5
Increase in accrued pension during the financial year (net of inflation)	0.5	0.2
Opening balance of transfer value	69.0	64.7
Closing balance of transfer value	81.1	69.0
Increase in transfer value during the financial year	12.1	4.3
Transfer value of increase in accrued pension (net of inflation)	3.9	1.5
Transfer value of increase in accrued pension (net of inflation and member contributions)	3.9	1.5
<b>Defined Contribution Scheme</b>		
Company's contributions during the financial year	15.6	13.7 <sup>(1)</sup>

## Notes

<sup>(1)</sup> Mr David Cook joined the Board on 16 June 2006. The amount stated relates to the Company's contributions for the whole financial year.

<sup>(2)</sup> Defined benefit scheme ceased on 31 August 2005.

# Directors' Remuneration Report continued

## Directors' Shareholdings

The interests of the Directors in the shares of the Company are shown below:

	26 January 2008	27 January 2007
Tan Sri Dr Khoo Kay Peng	183,870,822*	182,670,822*
Mr David Walton Masters	1,406,250	1,406,250
Ms Lillian Tan Lian Tee	100,000	100,000
Ms Sally Kealey	775	775
Mr Roger Bambrough	100,000	100,000
Mr David Cook	100,000	100,000

\* Bonham Industries Limited, KKP Holdings Sdn. Bhd. and Soo Lay Holdings Sdn. Bhd. are each interested in these shares.

All interests in share capital were held as beneficial interests. Mr Andrew Khoo, Mr Leonard Sebastian and Mr Ng Kwan Cheong did not have any interest in the issued share capital of the Company at any time during the financial year.

## Directors' Share Options

No Director had any options over shares in the capital of the Company at any time during the financial year except for Mr David Cook as set out below:

Date of grant	Number of Shares Reserved				
	2008	2007	Option Price	Date from which Exercisable	Latest Expiry Date
21 October 1999	30,000	30,000	£0.35	21.10.02	20.10.09

Further information regarding share options is given in Note 34 to the Accounts.

The middle market price of an ordinary share at 26 January 2008 was 24.0 pence and the range during the financial year was 21.75 pence to 30.5 pence.

The Company's Register of Directors' Interests, which is open for inspection at the Registered Office, contains full details of Directors' share interests.

## Resolution

A resolution to shareholders to approve the Directors' Remuneration Report will be put forward at the AGM.

On behalf of the board

**David Walton Masters**

*Deputy Chairman*

26 March 2008



# Independent Auditor's Report

to the Shareholders of Laura Ashley Holdings plc

We have audited the group and parent company financial statements (the "financial statements") of Laura Ashley Holdings plc for the financial year ended 26 January 2008 which comprise the group income statement, group and company balance sheets, group and company statements of changes in shareholders' equity, group and company cash flow statements and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the directors' remuneration report that is described as having been audited.

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

## Respective Responsibilities of Directors and Auditor

The directors' responsibilities for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the directors' remuneration report

to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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

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

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements.

# Independent Auditor's Report continued

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

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

## Opinion

In our opinion;

- the group financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the group's affairs as at 26 January 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 26 January 2008;
- the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the directors' report is consistent with the financial statements.

## Chantrey Vellacott DFK LLP

*Chartered Accountants  
Registered Auditor*

London  
26 March 2008

# Accounting Policies

## Basis of Accounting and Consolidation

The financial statements have been prepared under the historical cost convention, in accordance with IFRS as adopted for use in European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The financial statements of the Group include the results of Laura Ashley Holdings plc and its subsidiaries and associated companies. The results of any subsidiary companies acquired or disposed of during the reporting period are included in the Group income statement from the effective date of acquisition to the date of disposal.

## Investments

Investments in subsidiary companies are stated at cost less provision for any impairment value.

Investments in associated companies are stated at the Group's share of net assets less provisions. Since the accounting policies of the associated company do not conform in all respects to those of the Group, adjustments are made on consolidation where the amounts involved are material to the Group.

Investments in quoted shares are stated at fair values.

## Revenue

Revenue, which excludes value added taxes, represents the amounts receivable from customers for goods supplied and royalties and other similar income.

Sales of goods are recognised when goods are delivered and title has passed. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Royalty income is recognised in line with sales reported by the Group's franchise partners and licensees. It is accounted for on an accruals basis to the extent that the expectation of such income can be reasonably quantified.

## Financial Instruments

Forward exchange contracts are entered into by the Company as effective economic hedges and are not held for speculative purposes. They are initially recognised and subsequently measured at fair value. Gains and losses arising from the re-measurement are recognised in the income statement as they arise. Under IAS 39, they do not qualify for hedge accounting.

## Currency Translation

The income statements of subsidiary companies operating outside the United Kingdom are translated into sterling using average rates of exchange for the period. The net assets of such companies are translated into sterling at the rates of exchange prevailing at the balance sheet date.

Exchange differences that relate to the translation of net assets of overseas companies and to foreign currency borrowings to the extent that these provide a balance sheet hedge, together with any tax thereon, are taken directly to reserves.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date.

All transactional exchange differences are taken to the income statement.

# Accounting Policies continued

## Leased Assets

Assets held under finance leases are capitalised and depreciated in the same manner as owned assets. The resulting lease obligations are included in obligations under finance leases and the interest element of rental obligations is charged to the income statement.

Rentals payable under operating leases are charged to the income statement, as incurred over the lease term.

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision is recognised.

## Property, Plant and Equipment

Depreciation of property, plant and equipment is calculated at rates estimated to write off the cost of the relevant assets, less any estimated residual value, by equal amounts over their expected useful lives.

The principal lives used are:

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Freehold buildings and long leasehold property	50 years
Short leasehold property	Period of lease
Leasehold improvements	Period of lease
Plant and machinery	10 years
Vehicles	5 years
Computer systems	5 years
Shop fixtures and fittings	5 years
Other equipment, fixtures and fittings	5 to 10 years

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Key money on properties, which is paid in certain European countries, is written down by 25% over 10 years, to its estimated recoverable amount.

Software development costs are capitalised as computer system expenditure.

## Payments on Account and Assets Under Construction

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion.

## Reverse Premiums

Reverse premiums received on the inception of lease agreements are released to the income statement over the period of the lease.

## Own Equity Instruments

The Company's holding in its own equity instruments, including ordinary shares, are classified as treasury shares and are shown as deductions from shareholders' equity at cost.

## Inventories

Inventories are valued at the lower of average cost and net realisable value.

The cost of Group manufactured products includes attributable overheads based on normal levels of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished state.

## Deferred Taxation

Deferred tax is accounted for on the basis of temporary differences arising from differences between the tax base and the accounting base of assets and liabilities.

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

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

## Pensions

The Group operates various pension schemes for its permanent employees. For the UK defined benefit scheme, an independent actuary completes a valuation every three years, and in accordance with their recommendations, contributions are paid to the trustees

of the scheme so as to secure the benefits as set out in the rules. The operating and financing costs of the scheme are recognised in the income statement. The shortfall in the fair value of the plan assets as compared to the benefit obligation, adjusted for any unrecognised actuarial gains or losses, is provided in full in the balance sheet.

Cumulative actuarial gains and losses in excess of the greater of 10% of the assets or 10% of the obligations of the plan are recognised in the income statement over the remaining average service lives of the employees of the related plan, on a straight-line basis.

## Sources of Estimation and Uncertainty

The preparation of the financial statements requires the Group to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

## Significant Judgements

The Group believes that the most significant critical judgement area in the application of its accounting policies is its defined benefit pension scheme assumptions which are set out in note 30.

# Group Income Statement

For the Financial Year ended 26 January 2008

	Notes	2008 £m	2007 £m
Revenue	1	237.6	225.0
Cost of sales		(125.8)	(123.1)
Gross Profit		111.8	101.9
Operating expenses	2	(93.3)	(90.7)
Profit from Operations	3	18.5	11.2
Share of operating profit of associate	13	0.3	0.4
Finance income	6	1.0	0.9
Finance costs	7	–	(0.3)
Profit Before Taxation		19.8	12.2
Taxation	8	(5.8)	(4.2)
Profit for the Financial Year		14.0	8.0
Earnings per share – basic and diluted	10	1.90p	1.08p

The Group's results shown above are derived entirely from continuing operations.

There were no recognised gains or losses other than those included in the Group Income Statement.

# Balance Sheets

As at 26 January 2008

	Notes	Group		Company	
		2008 £m	2007 £m	2008 £m	2007 £m
<b>Non-current Assets</b>					
Property, plant and equipment	12	35.4	29.0	2.7	3.0
Deferred tax asset	22	1.8	3.7	–	–
Investment in associate	13	3.6	3.3	0.8	0.8
Investment in subsidiaries	14	–	–	99.2	99.2
Investment in quoted shares	15	2.1	0.6	–	–
		<b>42.9</b>	<b>36.6</b>	<b>102.7</b>	<b>103.0</b>
<b>Current Assets</b>					
Inventories	16	39.5	37.7	–	–
Trade and other receivables	17	26.7	20.8	23.7	35.0
Cash and cash equivalents	26	29.2	31.7	17.4	4.0
		<b>95.4</b>	<b>90.2</b>	<b>41.1</b>	<b>39.0</b>
<b>Total assets</b>		<b>138.3</b>	<b>126.8</b>	<b>143.8</b>	<b>142.0</b>
<b>Current Liabilities</b>					
Current tax liabilities		(1.2)	2.5	–	–
Obligations under finance leases	18	–	0.2	–	0.2
Trade and other payables	19	69.3	50.0	8.9	2.2
		<b>68.1</b>	<b>52.7</b>	<b>8.9</b>	<b>2.4</b>
<b>Non-current Liabilities</b>					
Retirement benefit liabilities	30	6.5	12.3	–	–
Deferred tax liabilities	22	1.4	–	0.4	0.4
Provisions and other liabilities	21	0.4	0.1	–	–
		<b>8.3</b>	<b>12.4</b>	<b>0.4</b>	<b>0.4</b>
<b>Total liabilities</b>		<b>76.4</b>	<b>65.1</b>	<b>9.3</b>	<b>2.8</b>
<b>Net assets</b>		<b>61.9</b>	<b>61.7</b>	<b>134.5</b>	<b>139.2</b>
<b>Equity</b>					
Share capital	23	37.3	37.3	37.3	37.3
Share premium		86.4	86.4	86.4	86.4
Own shares		(0.8)	(0.8)	(0.8)	(0.8)
Retained earnings		(61.0)	(61.2)	11.6	16.3
<b>Total equity</b>		<b>61.9</b>	<b>61.7</b>	<b>134.5</b>	<b>139.2</b>

The financial statements on pages 33 to 54 were approved and authorised for issue by the Board on 26 March 2008 and signed on its behalf by:

**David Walton Masters** *Deputy Chairman*

**David Cook** *Finance Director*

# Statements of Changes in Shareholders' Equity

As at 26 January 2008

## Group

	Share Capital £m	Share Premium £m	Own Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 29 January 2006	37.3	86.4	(0.8)	(63.9)	59.0
Profit for the financial year ended 27 January 2007	–	–	–	8.0	8.0
Dividends paid	–	–	–	(3.7)	(3.7)
Exchange differences on translation of investments	–	–	–	(0.6)	(0.6)
Purchase of own shares	–	–	–	(1.0)	(1.0)
Balance as at 27 January 2007	37.3	86.4	(0.8)	(61.2)	61.7
Profit for the financial year ended 26 January 2008	–	–	–	14.0	14.0
Dividends paid	–	–	–	(11.1)	(11.1)
Exchange differences on translation of investments	–	–	–	0.1	0.1
Purchase of own shares	–	–	–	(2.2)	(2.2)
Unrealised investment loss	–	–	–	(0.6)	(0.6)
<b>Balance as at 26 January 2008</b>	<b>37.3</b>	<b>86.4</b>	<b>(0.8)</b>	<b>(61.0)</b>	<b>61.9</b>

## Company

	Share Capital £m	Share Premium £m	Own Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 29 January 2006	37.3	86.4	(0.8)	5.4	128.3
Profit for the financial year ended 27 January 2007	–	–	–	15.6	15.6
Dividends paid	–	–	–	(3.7)	(3.7)
Purchase of own shares	–	–	–	(1.0)	(1.0)
Balance as at 27 January 2007	37.3	86.4	(0.8)	16.3	139.2
Profit for the financial year ended 26 January 2008	–	–	–	8.6	8.6
Dividends paid	–	–	–	(11.1)	(11.1)
Purchase of own shares	–	–	–	(2.2)	(2.2)
<b>Balance as at 26 January 2008</b>	<b>37.3</b>	<b>86.4</b>	<b>(0.8)</b>	<b>11.6</b>	<b>134.5</b>



# Cash Flow Statements

For the Financial Year ended 26 January 2008

	Notes	Group		Company	
		2008 £m	2007 £m	2008 £m	2007 £m
<b>Operating Activities</b>					
Cash generated from operations	24	27.2	23.5	18.0	(15.3)
Corporation tax paid		(6.2)	(3.5)	(0.4)	–
Dividends paid		(11.1)	(3.7)	(11.1)	(3.7)
Dividends received		–	–	8.0	15.0
Finance income		1.0	0.9	0.8	0.6
Finance cost		–	(0.3)	–	–
		<b>10.9</b>	<b>16.9</b>	<b>15.3</b>	<b>(3.4)</b>
<b>Investing Activities</b>					
Purchase of property, plant and equipment		(10.9)	(5.6)	–	–
Sale of property, plant and equipment		1.9	0.2	0.4	–
Purchase of investment		(2.1)	(0.7)	–	–
Net cash received from associate	13	0.1	0.1	0.1	0.1
		<b>(11.0)</b>	<b>(6.0)</b>	<b>0.5</b>	<b>0.1</b>
<b>Financing Activities</b>					
Repurchase of own shares		(2.2)	(1.0)	(2.2)	(1.0)
Payment of finance lease obligations		(0.2)	(0.3)	(0.2)	(0.3)
		<b>(2.4)</b>	<b>(1.3)</b>	<b>(2.4)</b>	<b>(1.3)</b>
Net (decrease)/increase in cash and cash equivalents		<b>(2.5)</b>	<b>9.6</b>	<b>13.4</b>	<b>(4.6)</b>

# Reconciliation of Net Cash Flow to Movement in Net Funds

For the Financial Year ended 26 January 2008

	Notes	Group		Company	
		2008 £m	2007 £m	2008 £m	2007 £m
Net (decrease)/increase in cash and cash equivalents		(2.5)	9.6	13.4	(4.6)
Cash inflow from changes in loans and leases		0.2	0.3	0.2	0.3
Change in net funds resulting from cash flows		(2.3)	9.9	13.6	(4.3)
Net funds at the beginning of the financial year		31.5	21.6	3.8	8.1
Net funds at the end of the financial year	25	<b>29.2</b>	<b>31.5</b>	<b>17.4</b>	<b>3.8</b>

# Notes to the Financial Statements

## 1 Segmental Analysis

	Retail £m	Non-retail £m	Total £m
<b>2008</b>			
Revenue	212.4	25.2	237.6
Branch contribution	32.9	8.4	41.3
Share of profit of associate	0.3	–	0.3
Indirect overhead costs			(22.8)
Finance income			1.0
Finance costs			–
Profit before taxation			19.8
Total assets	102.7	35.6	138.3
Total liabilities	57.2	19.2	76.4
Net assets	45.5	16.4	61.9
Capital expenditure	10.8	0.1	10.9
Depreciation	4.1	0.2	4.3
	Retail £m	Non-retail £m	Total £m
<b>2007</b>			
Revenue	199.7	25.3	225.0
Branch contribution	24.3	7.6	31.9
Share of profit of associate	0.4	–	0.4
Indirect overhead costs			(20.7)
Finance income			0.9
Finance costs			(0.3)
Profit before taxation			12.2
Total assets	102.9	23.9	126.8
Total liabilities	(57.9)	(7.2)	(65.1)
Net assets	45.0	16.7	61.7
Capital expenditure	5.5	0.1	5.6
Depreciation	5.3	0.3	5.6

Retail revenue reflects sales through Laura Ashley's managed stores, Mail Order and E-Commerce. Non-retail revenue includes Licensing, Franchising and Manufacturing.

Branch contribution is stated after deducting direct operating expenses, buying, marketing and administrative costs.

	2008 £m	2007 £m
<b>Revenue by Destination</b>		
UK and Ireland	212.5	199.6
Continental Europe	7.2	6.7
Other	17.9	18.7
	237.6	225.0

## 2 Operating Expenses

	2008 £m	2007 £m
Distribution costs	83.2	73.5
Administrative expenses	10.1	17.2
	<b>93.3</b>	<b>90.7</b>

## 3 Profit from Operations is Stated after Charging/(Crediting):

	2008 £m	2007 £m
Depreciation on property, plant and equipment (note 12)	4.3	5.6
Exchange gains	(0.3)	(0.1)
Profit on disposal of property, plant and equipment	(1.7)	(0.1)
Gain on pension transfer value exercise	(2.3)	(0.4)
Operating lease and hire charges of:		
Property	20.9	20.4
Others	1.8	1.8
Auditor's remuneration	0.1	0.1
Cost of inventories recognised as an expense	107.5	107.7
Including: Provision for inventories obsolescence	0.1	1.0

## 4 Employees

	2008 Number	2007 Number
<b>Average Number of Employees of the Group on a Full-time Equivalent Basis:</b>		
Manufacturing	160	181
Retail	1,760	1,625
Administrative	450	408
Distribution	140	121
	<b>2,510</b>	<b>2,335</b>

	2008 £m	2007 £m
<b>Staff Costs for the Financial Year:</b>		
Wages and salaries	42.6	38.2
Social security costs	3.1	2.9
Other pension costs	0.4	0.4
	<b>46.1</b>	<b>41.5</b>

## Key Management's Compensation

The directors have identified 13 (2007: 15) key management personnel whose compensation was as follows:

	2008 £m	2007 £m
Salaries	0.8	0.9
Benefits	0.1	0.2
Pension costs	0.1	0.1
	<b>1.0</b>	<b>1.2</b>

The key management figures above include the Directors. Directors' emoluments are disclosed in the Directors' Remuneration Report on page 28. There were no share based payments during the financial year ended 26 January 2008 (2007: nil).

# Notes to the Financial Statements continued

## 5 Directors' Remuneration

	2008 £000	2007 £000
Aggregate emoluments	581	519
Company pension contributions for defined contribution scheme	26	15

Details of Directors' pension benefits are set out in the Directors' Remuneration Report on page 29.

During the financial years ended 26 January 2008 and 27 January 2007, there were no options granted to or exercised by the Directors or amounts received under long-term incentive schemes.

The information required by the Companies Act 1985 and the Listing Rules of the Financial Services Authority is contained in the Directors' Remuneration Report on pages 26 to 30.

## Directors' Interests

The interests of the Directors in the shares and share options of the Company are disclosed on page 30.

## 6 Finance Income

	2008 £m	2007 £m
Interest income relating to bank deposits	1.0	0.9

## 7 Finance Costs

	2008 £m	2007 £m
Finance cost relating to bank loans	–	0.1
Finance lease interest	–	0.1
Pension interest	–	0.1
Finance cost	–	0.3

## 8 Taxation

	2008 £m	2007 £m
<b>UK Corporation Tax</b>		
Current year corporation tax	3.7	3.9
Prior year corporation tax	(1.4)	–
Relief for overseas tax	–	(0.2)
	2.3	3.7
Overseas tax	–	0.2
Deferred tax movement relating to pension	1.9	0.2
Other deferred tax	1.0	–
Prior year deferred tax	0.4	–
Tax charge in associate	0.2	0.1
Taxation on profit on ordinary activities	5.8	4.2
<b>Tax Reconciliation</b>		
Profit before taxation	19.8	12.2
Tax at 30% (2007: 30%)	5.9	3.7
Expenses not deductible for tax purposes	0.8	0.3
Deferred tax not recognised	–	0.2
Prior year deferred tax	0.4	–
Difference in tax rate	0.1	–
Prior year corporation tax	(1.4)	–
Current tax charge for the year	5.8	4.2

## 9 Laura Ashley Holdings plc – Income Statement

In accordance with Section 230 of the Companies Act 1985, the Company has not presented its own income statement. The Company's profit for the financial year was £8.6 million (2007: £15.6 million).

## 10 Earnings per Share

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year (excluding treasury shares).

	2008	2007
Basic and diluted earnings attributable to ordinary shareholders (£m)	14.0	8.0
Weighted average number of ordinary shares ('000) – basic and diluted	736,224	741,202
Earnings per share	1.90p	1.08p

## 11 Principal Exchange Rates

	2008		2007	
	Average	Period End	Average	Period End
US Dollar	2.00	1.98	1.86	1.96
Euro	1.45	1.35	1.47	1.52
Japanese Yen	234	213	217	238

## 12 Property, Plant and Equipment

Group 2008	Land and Buildings		Plant, Machinery and Vehicles	Fixtures, Fittings and Equipment	Paid on Account and Under Construction	Total
	Freehold £m	Short Leases £m				
<b>Cost</b>						
At 28 January 2007	22.0	12.1	6.1	49.2	3.4	92.8
Additions	0.1	4.9	–	7.3	(1.4)	10.9
Disposals	(0.1)	(0.3)	(1.9)	(0.4)	–	(2.7)
At 26 January 2008	22.0	16.7	4.2	56.1	2.0	101.0
<b>Depreciation</b>						
At 28 January 2007	8.9	3.8	6.0	45.1	–	63.8
Charge for the year	0.2	1.4	0.1	2.6	–	4.3
Disposals	–	(0.2)	(1.9)	(0.4)	–	(2.5)
At 26 January 2008	9.1	5.0	4.2	47.3	–	65.6
<b>Net book value</b>						
At 26 January 2008	12.9	11.7	–	8.8	2.0	35.4
At 27 January 2007	13.1	8.3	0.1	4.1	3.4	29.0

The net book value of property, plant and equipment as at 26 January 2008 includes an amount of £0.3 million (2007: £0.5 million) in respect of assets held under finance leases. The depreciation of these assets in the year amounted to £0.2 million (2007: £0.2 million).

# Notes to the Financial Statements continued

## 12 Property, Plant and Equipment continued

Group 2007	Land and Buildings		Plant, Machinery and Vehicles £m	Fixtures, Fittings and Equipment £m	Paid on Account and Under Construction £m	Total £m
	Freehold £m	Short Leases £m				
<b>Cost</b>						
At 29 January 2006	22.0	10.8	8.3	48.6	0.8	90.5
Additions	–	1.5	0.1	1.4	2.6	5.6
Disposals	–	(0.2)	(2.3)	(0.8)	–	(3.3)
At 27 January 2007	22.0	12.1	6.1	49.2	3.4	92.8
<b>Depreciation</b>						
At 29 January 2006	8.7	2.8	8.1	41.8	–	61.4
Charge for the year	0.2	1.1	0.1	4.2	–	5.6
Disposals	–	(0.1)	(2.2)	(0.9)	–	(3.2)
At 27 January 2007	8.9	3.8	6.0	45.1	–	63.8
<b>Net book value</b>						
At 27 January 2007	13.1	8.3	0.1	4.1	3.4	29.0
At 28 January 2006	13.3	8.0	0.2	6.8	0.8	29.1

The net book value of property, plant and equipment as at 27 January 2007 includes an amount of £0.5 million (2006: £0.8 million) in respect of assets held under finance leases. The depreciation of these assets in the year amounted to £0.2 million (2006: £1.0 million).

Company 2008	Land and Buildings Freehold £m	Fixtures, Fittings and Equipment £m	Total £m
	<b>Cost</b>		
At 28 January 2007	2.8	1.0	3.8
Disposals	(0.1)	–	(0.1)
At 26 January 2008	2.7	1.0	3.7
<b>Depreciation</b>			
At 28 January 2007	0.3	0.5	0.8
Charge for the year	–	0.2	0.2
At 26 January 2008	0.3	0.7	1.0
<b>Net book value</b>			
At 26 January 2008	2.4	0.3	2.7
At 27 January 2007	2.5	0.5	3.0

The net book value of property, plant and equipment as at 26 January 2008 includes an amount of £0.3 million (2007: £0.5 million) in respect of assets held under finance leases. The depreciation of these assets during the year amounted to £0.2 million (2007: £0.2 million).

## 12 Property, Plant and Equipment continued

Company 2007	Land and Buildings Freehold £m	Fixtures, Fittings and Equipment £m	Total £m
<b>Cost</b>			
At 29 January 2006 and 27 January 2007	2.8	1.0	3.8
<b>Depreciation</b>			
At 29 January 2006	0.3	0.3	0.6
Charge for the year	–	0.2	0.2
At 27 January 2007	0.3	0.5	0.8
<b>Net book value</b>			
At 27 January 2007	2.5	0.5	3.0
At 28 January 2006	2.5	0.7	3.2

The net book value of property, plant and equipment as at 27 January 2007 includes an amount of £0.5 million (2006: £0.7 million) in respect of assets held under finance leases. The depreciation of these assets during the year amounted to £0.2 million (2006: £0.2 million).

## 13 Investment in Associate

	2008 £m	2007 £m
Japan – Laura Ashley Japan Co., Ltd.		
Revenue	49.2	53.2
Profit before taxation	1.3	1.5
Share of profit before taxation	0.3	0.4
Investment in associate:		
Opening balance at 28 January 2007	3.3	3.4
Exchange movements	0.3	(0.3)
Dividend received	(0.1)	(0.1)
Share of profit after taxation	0.1	0.3
Closing balance at 26 January 2008	3.6	3.3

The Company's investment in Laura Ashley Japan Co., Ltd. is valued at the cost of acquisition of £0.8million (2007: £0.8 million).

## 14 Investment in Subsidiaries

Company	Cost £m	Provision £m	Investment £m
At 26 January 2008 and at 27 January 2007	147.3	(48.1)	99.2

See note 32 for details of subsidiaries.

## 15 Investment in Quoted Shares

	Cost £m	Revaluation £m	Net £m
As at 29 January 2006	–	–	–
Additions	0.7	(0.1)	0.6
As at 27 January 2007	0.7	(0.1)	0.6
Additions	2.1	(0.6)	1.5
As at 26 January 2008	2.8	(0.7)	2.1

# Notes to the Financial Statements continued

## 16 Inventories

	Group	
	2008 £m	2007 £m
Raw materials and consumables	1.7	2.5
Work in progress	0.2	0.4
Finished goods and goods for resale	37.6	34.8
	<b>39.5</b>	<b>37.7</b>

The Company holds no inventories or work in progress.

## 17 Trade and Other Receivables

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
<b>Amounts Falling Due Within One Year:</b>				
Trade receivables	12.8	9.0	–	–
Amounts owed by subsidiaries	–	–	23.7	35.0
Amounts owed by associate (note 31)	3.7	4.4	–	–
Other receivables	2.3	2.4	–	–
Prepayments and accrued income	7.9	5.0	–	–
	<b>26.7</b>	<b>20.8</b>	<b>23.7</b>	<b>35.0</b>

The Directors consider that the carrying amount of these assets is approximate to their fair value.

## 18 Obligations under Finance Leases

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
<b>Amounts payable:</b>				
Within one year	–	0.2	–	0.2

There is no material difference between the total of the future minimum lease payments at the balance sheet date and their present values.

## 19 Trade and Other Payables

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
Trade payables	23.5	20.8	–	–
Amounts owed to subsidiaries	–	–	8.8	2.1
Social security and other taxes	4.2	3.9	–	–
Other payables	18.7	15.7	–	–
Accruals and deferred income	22.9	9.6	0.1	0.1
	<b>69.3</b>	<b>50.0</b>	<b>8.9</b>	<b>2.2</b>

Trade payables are not interest bearing and are settled in accordance with the supplier payment policy as stated on page 20. The Directors consider that the carrying amount of these liabilities are approximate to their fair value.



## 20 Financial Instruments

The Group's policies as regards financial instruments are set out in the accounting policies on page 33.

### a) Interest Rate Risk

#### Financial Assets

The Group holds no fixed rate financial assets (2007: £nil).

Floating rate assets of £17.2 million comprise Sterling cash balances on short term deposit (2007: £26.4 million). The remaining cash balances do not attract interest.

### b) Currency Profile

The main functional currency of the Group is Sterling. The following analysis of net monetary assets and liabilities shows the Group's currency exposures after the effects of any forward contracts used to manage currency exposure.

The amounts shown below represent the transactional exposure that gave rise to net currency gains and losses recognised in the income statement (see note 3). Such exposure comprises the monetary assets and liabilities of the Group that are not denominated in the functional currency of the operating unit involved.

	Net Foreign Currency Monetary Asset/(Liability)		Net Foreign Currency Monetary Asset/(Liability)	
	2008 £m	2008 Euro	2007 US\$	2007 Euro
Functional currency of Group operations – Sterling	1.5	1.0	0.3	(0.7)

### c) Liquidity

Financial liability refers to a finance lease which has expired during the financial year.

### d) Fair Values of Financial Instruments

There is no material difference between the book value and the fair value of the Group's financial instruments.

## 21 Provisions and Other Liabilities

	Onerous Lease Provision*
	£m
As at 29 January 2006	0.2
Released to Income Statement	(0.1)
As at 27 January 2007	0.1
Charged to Income Statement	0.3
As at 26 January 2008	0.4

\* Utilised over the length of the lease period.

# Notes to the Financial Statements continued

## 22 Deferred Tax

The deferred tax liability in the Company is £0.4 million (2007: £0.4 million) which represents a provision for capital allowances in excess of depreciation.

The deferred tax asset and liabilities which are recognised and not recognised in the financial statements are as follows:

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
<b>Amount Recognised:</b>				
Deferred tax asset – retirement benefit liabilities	1.8	3.7	–	–
Deferred tax liabilities – excess of tax allowances over depreciation	(1.4)	–	(0.4)	(0.4)
<b>Amount Not Recognised:</b>				
Deferred tax asset – excess of depreciation over tax allowances	–	0.6	–	–
Deferred tax asset – losses not recognised	1.3	1.4	–	–
Deferred tax asset not recognised	1.3	2.0	–	–

## 23 Share Capital

		2008 £m	2007 £m
Ordinary shares of 5p each			
Authorised	1,000,000,000 (2007: 1,000,000,000)	50.0	50.0
Issued and fully paid	746,035,368 (2007: 746,035,368)	37.3	37.3

8,772,500 ordinary shares of 5 pence each with an aggregate nominal value of £0.4 million were purchased during the financial year ended 26 January 2008 and are held as treasury shares (2007: £0.2 million). Distributable reserves have been reduced by £2.2 million, being the consideration paid for these shares. The total treasury shares held as at 26 January 2008 was 12,772,500 (2007: 4,000,000).

## 24 Reconciliation of Profit/(Loss) from Operations to Net Cash Inflow/(Outflow) from Operating Activities

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
Profit/(loss) from operations	18.5	11.2	0.1	(0.1)
Depreciation charge	4.3	5.6	0.2	0.2
Profit on sale of property, plant and equipment	(1.7)	(0.1)	(0.3)	–
Increase in inventories	(1.8)	(2.7)	–	–
(Increase)/decrease in receivables	(5.9)	1.9	11.3	(15.0)
Increase/(decrease) in payables	19.3	8.7	6.7	(0.3)
Movement in provisions	(5.5)	(1.1)	–	(0.1)
Net cash inflow/(outflow) from operating activities	27.2	23.5	18.0	(15.3)

## 25 Analysis of Net Funds

	Group			Company		
	At 27 Jan 2007 £m	Cash Flow £m	At 26 Jan 2008 £m	At 27 Jan 2007 £m	Cash Flow £m	At 26 Jan 2008 £m
Cash and cash equivalents	31.7	(2.5)	29.2	4.0	13.4	17.4
Obligations under finance leases	(0.2)	0.2	–	(0.2)	0.2	–
Net funds	31.5	(2.3)	29.2	3.8	13.6	17.4

## 26 Cash and Cash Equivalents

	Group		Company	
	2008 £m	2007 £m	2008 £m	2007 £m
Cash at bank and in hand	12.0	5.3	0.4	4.0
Short-term deposits	17.2	26.4	17.0	–
Cash and cash equivalents	29.2	31.7	17.4	4.0

The Directors consider that the carrying value of these assets approximates their fair value.

## 27 Contingent Liabilities

- a) The Company has guaranteed the bank overdrafts and loans of its subsidiary company, Laura Ashley Limited. At 26 January 2008, the maximum potential liability in respect of these guarantees was £7.0 million (2007: £7.0 million). The Group had no bank overdrafts or loans as at 26 January 2008 (2007: nil).
- b) Under the terms of the sale agreements entered into during the year ended 31 January 2004 for the disposal of certain former European subsidiaries, the Company has a potential liability of £0.3 million in relation to warranty and tax claims (2007: £0.9 million).

## 28 Future Commitments

The Group had commitments for contracted capital expenditure, not provided for in the accounts of £1.2 million at 26 January 2008 (2007: £3.4m).

## 29 Leases

Total of future minimum lease payments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and Buildings £m	Other £m	Land and Buildings £m	Other £m
Within one year	21.3	2.1	19.3	1.6
Two to five years	53.2	2.8	66.5	1.3
After five years	99.6	–	85.9	–
	174.1	4.9	171.7	2.9

Certain shop premises acquired under operating leases are subject to rental charges based on a combination of a flat rental charge plus a percentage of turnover achieved by the store. The above figures are based on the flat rental charge only.

# Notes to the Financial Statements continued

## 30 Group Pension Arrangements

The Group operates a funded pension scheme in the UK which offers both pensions in retirement and death benefits to members. The scheme has both defined benefit and defined contribution sections, although the defined contribution section is relatively small.

The scheme is closed to new members. With effect from 1 September 2005, the defined contribution section was established, and in-service members ceased to accrue benefits within the defined benefit section, although such members' pension benefits remain linked to their final salary at retirement and their length of service before 1 September 2005.

Except where stated otherwise, this note refers only to the defined benefit section of the scheme.

The Company has opted to amortise all actuarial gains and losses above the corridor (10% of the greater of assets and liabilities) over the future working lifetime of the active membership.

A full actuarial valuation of the scheme was carried out as at 26 January 2008 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 26 Jan 2008	As at 27 Jan 2007
Discount rate	6.20%	5.40%
Rate of salary increase	3.50%	3.30%
Rate of increase to inflation-linked pensions in payment	3.50%	3.30%
Rate of inflation	3.50%	3.30%

### Life Expectancy at Age 65

Male currently 65	19.0	19.0
Male currently 45	19.9	19.9
Female currently 65	22.0	22.0
Female currently 45	22.8	22.8

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

### 30 Group Pension Arrangements continued

The Assets in the Scheme and the Expected Rates of Return were:

	Long-term	Value at 26 Jan 2008 £000	Long-term	Value at 27 Jan 2007 £000
	Rate of Return Expected at 26 Jan 2008		Rate of Return Expected at 27 Jan 2007	
Equities	7.60%	19,375	7.80%	25,239
Bonds	5.10%	4,830	5.40%	6,582
Insured annuities	6.20%	1,764	5.40%	1,901
Other	5.50%	2,074	5.25%	1,664
		28,043		35,386

The actual return on assets over the period was

	1,919	2,355
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Present value of defined benefit obligation:

Funded plans	31,716	47,512
Present value of unfunded obligations	3,673	12,126
Unrecognised actuarial gains/(losses)	2,844	144
Net liability in balance sheet	6,517	12,270

#### Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation

Benefit obligation at beginning of year	47,512	51,098
Service cost	200	160
Interest cost	2,550	2,388
Contributions by plan participants	–	–
Actuarial gain	(3,356)	(2,380)
Benefits paid	(10,589)	(2,787)
Curtailments and settlements	(4,601)	(967)
Benefit obligation at end of year	31,716	47,512

#### Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Fair value of plan assets at beginning of year	35,386	35,357
Expected return on plan assets	2,536	2,284
Actuarial gain/(loss)	(617)	71
Contributions by employers	1,327	461
Contributions by plan participants	–	–
Benefits paid	(10,589)	(2,787)
Fair value of plan assets at end of year	28,043	35,386

The Amounts Recognised in the Income Statement are:

Current service cost	200	160
Interest on obligation	2,550	2,388
Expected return on plan assets	(2,536)	(2,284)
Net actuarial (gains)/losses recognised in year	(39)	123
Incentive payment	2,364	477
Settlements and curtailments	(4,601)	(967)
Total gain	(2,062)	(103)

# Notes to the Financial Statements continued

## 30 Group Pension Arrangements continued

### Scheme Assets and Obligations and Experience Adjustments

	As at 26 Jan 2008 £000	As at 27 Jan 2007 £000	As at 28 Jan 2006 £000
Present value of defined benefit obligation	31,716	47,512	51,098
Fair value of scheme assets	28,043	35,386	35,357
Deficit in the scheme	(3,673)	(12,126)	(15,741)
Experience adjustments arising on scheme liabilities	(3,356)	(2,380)	5,403
Experience item as a percentage of scheme liabilities	(11%)	(5%)	11%
Experience adjustments arising on scheme assets	(617)	71	4,193
Experience item as a percentage of scheme assets	(2%)	0%	12%

### Transfer Value Offer

On completion of the Group's transfer value exercise, 284 members had accepted the offer as at 26 January 2008.

## 31 Related Party Transactions

Group	Sales to Related Parties £m	Royalty Income from Related Parties £m	Amounts Owed by Related Parties £m
Year ended 26 January 2008			
Laura Ashley Japan Co., Ltd.	9.5	1.3	3.7
Laura Ashley, Inc.	–	–	1.6
Revman Industries, Inc.	–	0.5	0.2
Year ended 27 January 2007			
Laura Ashley Japan Co., Ltd.	10.1	1.4	4.4
Laura Ashley, Inc.	–	–	0.7
Revman Industries, Inc.	–	1.7	0.6

Laura Ashley Japan Co., Ltd. is an associated undertaking (note 32).

Laura Ashley, Inc. is owned by Laura Ashley (North America) Inc., whose major shareholder is Regent Corporation (100%), (an associated company of Malayan United Industries Berhad). Mr Andrew Khoo is a director of Laura Ashley (North America) Inc.

Revman Industries, Inc. is a subsidiary of Aeon Co., Ltd. Mr M Okada, who ceased to be a director of the Company during the previous financial year, is also a director of Aeon Co., Ltd.

During the financial year ended 26 January 2008, Laura Ashley Limited rented out office space to Corus Hotels Limited (formerly Corus Hotel plc). Under the terms of the agreement, Laura Ashley Limited will receive £0.1 million per annum. Corus Hotels plc is owned by London Vista Hotel Limited, a wholly owned subsidiary of Malayan United Industries Berhad. This lease agreement was terminated subsequent to the financial year ended 26 January 2008.

During the financial year ended 26 January 2008, Laura Ashley Investments Limited granted licensing and franchising rights to M J Accessories Sdn. Bhd., a subsidiary of Malayan United Industries Berhad, in relation to the Malaysia and Singapore territories. Total sales to M J Accessories Sdn. Bhd. during the financial year ended 26 January 2008 were £0.1 million (2007: £nil).

Malayan United Industries Berhad has the right to appoint up to three directors to the Board of Laura Ashley Holdings plc.

Mr Leonard Sebastian provides legal advice to the Group. The total legal fees charged during the financial year ended 26 January 2008 was £37,000 (2007: £28,500).

Related party transactions were priced on an arms length basis.

### 31 Related Party Transactions *continued*

#### Company

During the year, the Company's transactions with Group companies were as follows:

	2008 £m	2007 £m
Finance income	0.8	0.6
Rental income	0.4	0.5
Lease of equipment	0.3	0.3
Dividends received	8.0	15.0

The Company has outstanding balances with Group companies that are disclosed in notes 17 and 19, and has investments in Group companies as detailed in note 32.

The Company's transactions with Group companies were priced on an arms length basis.

### 32 Group Undertakings

#### Principal Subsidiaries

	Country of Incorporation
Laura Ashley Limited*	England and Wales
Laura Ashley Investments Limited*	England and Wales
Texplan Manufacturing Limited*	England and Wales
Premier Home Logistics Limited	England and Wales
Bagleys Investments Limited*	England and Wales
Laura Ashley Holdings B.V.*	Netherlands
Laura Ashley Manufacturing B.V.	Netherlands
Laura Ashley S.A.	France
Laura Ashley GmbH	Germany
Laura Ashley España S.A.	Spain
Laura Ashley (Ireland) Limited*	Ireland

\*Held directly by Laura Ashley Holdings plc.

All subsidiaries are wholly owned and 100% of voting rights are held by the Company (2007: 100%).

#### Associated Undertaking

	Country of Incorporation
Laura Ashley Japan Co., Ltd.	Japan

26.79% of the issued ordinary share capital of Laura Ashley Japan Co., Ltd is held by Laura Ashley Holdings plc as at 26 January 2008 (2007: 26.79%).

Group undertakings are involved in the design, manufacture, sourcing, distribution and sale of Laura Ashley products. All Group undertakings are unlisted.

### 33 Dividends

	2008 £m	2007 £m
Dividends paid	11.1	3.7

A first interim dividend in respect of the financial year ended 26 January 2008 of 0.5 pence per ordinary share, amounting to £3.7 million was paid on 12 October 2007. A second interim dividend in respect of the financial year ended 26 January 2008 of 0.5 pence per ordinary share, amounting to £3.7 million was paid on 15 February 2008.

A final dividend in respect of the financial year ended 26 January 2008 of 1.0 pence per ordinary share, amounting to £7.4 million, will be proposed at the AGM on 2 June 2008 and if approved, will be payable on 6 June 2008 for shareholders on the Register at the close of business on 9 May 2008.

The amount of dividends paid of £11.1 million as disclosed above includes the interim and final dividends in respect of the financial year ended 27 January 2007 and the first interim dividend for the financial year ended 26 January 2008.

# Notes to the Financial Statements continued

## 34 Share Options Share Option Scheme

Under the Laura Ashley 1995 Executive Share Option Scheme, the Board was able to grant options to subscribe for new, or acquire existing, ordinary shares in the Company to selected employees and Executive Directors. Options so granted entitle the recipient to obtain ordinary shares in the Company at not less than market value shortly before the grant of the options.

An option is normally exercisable between three and ten years following its grant, provided a performance condition set by the Remuneration Committee has been satisfied. The condition applied to date requires that options will be exercisable only if the Company's growth in earnings per share, over any three year period between grant and exercise, exceeds the growth in the Retail Prices Index by an average of at least 2% per year and that a dividend has been declared on the Company's ordinary shares in respect of the Company's financial year preceding that in which the option is exercised. For this purpose, earnings per share are determined in accordance with IAS 33, adjusted as the Remuneration Committee considers appropriate.

At 26 March 2008, outstanding options granted under the Laura Ashley 1995 Executive Share Option Scheme were as follows:

Date of Grant	Number of Shares Reserved		Option Price	Date from which Exercisable	Latest Expiry Date
	2008	2007			
11 November 1998	20,000	20,000	£0.35	11.11.01	10.11.08
21 October 1999	30,000	30,000	£0.35	21.10.02	20.10.09

The middle market price of an ordinary share at 26 January 2008 was 24.0 pence and at 27 January 2007 was 28.5 pence. During this financial year, the highest price of an ordinary share was 30.5 pence and the lowest price was 21.75 pence.

All the options detailed above relate to new issue shares.

### Employee Benefit Trust

In July 1995, the Company established a discretionary employee benefit trust (the 'EBT'), the Laura Ashley Employee Share Ownership Trust, for the benefit of employees and former employees of the Group (including Executive Directors). The trustee is Kleinwort Benson (Jersey) Trustees Limited (the 'Trustee') which is an independent professional trust company. The Company makes recommendations to the Trustee in relation to the provision of benefits.

At 26 January 2008, the Trustee owned 2,487,992 (2007: 2,487,992) ordinary shares of 5p each representing 0.33% (2007: 0.33%) of the Company's issued share capital and with a market value on that date of £0.6 million (2007: £0.7 million). The EBT has waived its rights to dividends on all its shares.

The EBT was originally funded by an interest free loan of £5.0 million from the Company under a loan agreement. In 1995, the EBT purchased 2,487,992 shares for £3.2 million at £1.294 per share. The total costs incurred by the EBT for the said share purchase were £3.4 million inclusive of transaction costs of £0.2 million. The balance of the loan not utilised of £1.6 million was then returned by the EBT to the Company as it was not needed. The assets, liabilities, income and costs of the EBT are incorporated into the financial statements of the Company.

Due to the uncertainty in receiving the full settlement of the loan from the EBT, the Company made a provision of £2.4 million at 31 January 1998. At the same time the value of the shares held by the EBT were written down from £3.2 million to £0.8 million based on the then current market price of 34.5 pence.

For the financial year ended 26 January 2008, the costs charged to the Group Income Statement were £2,000 (2007: £2,000).



# Group Financial Record

	IFRS				UK GAAP				
	2008	2007	2006	2005	2004	2003	2002	2001	2000
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Income Statement</b>									
Revenue	237.6	225.0	211.1	238.9	283.5	292.0	276.8	259.1	247.3
Profit/(loss)									
from operations	18.5	11.2	5.4	4.7	3.3	(4.5)	8.5	8.8	(3.2)
Share of operating profit of associate	0.3	0.4	0.3	0.4	0.6	0.9	1.1	1.5	0.6
Exceptional items	–	–	–	–	–	(9.2)	–	–	–
Net interest receivable/(payable)	1.0	0.6	0.4	(0.7)	(0.8)	(1.3)	(0.3)	(0.1)	(1.5)
Profit/(loss) before taxation	19.8	12.2	6.1	4.4	3.1	(14.1)	9.3	10.2	(4.1)
Taxation	(5.8)	(4.2)	(1.9)	(1.3)	(1.1)	(1.4)	(1.2)	(2.3)	(0.3)
Profit/(loss) for the financial year	14.0	8.0	4.2	3.1	2.0	(15.5)	8.1	7.9	(4.4)
<b>Balance Sheet</b>									
	2008	2007	2006	2005	2004	2003	2002	2001	2000
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Non-current assets	42.9	36.6	36.4	39.3	37.3	44.2	42.2	30.1	23.6
Net current assets	27.3	37.5	36.3	34.2	30.3	23.0	31.0	36.3	34.3
Non-current liabilities	–	–	(0.2)	(5.1)	(5.6)	(8.4)	(3.1)	(0.9)	(0.3)
Provision for liabilities and charges	(8.3)	(12.4)	(13.5)	(13.5)	(1.1)	(6.8)	(2.1)	(4.6)	(4.9)
Net assets	61.9	61.7	59.0	54.9	60.9	52.0	68.0	60.9	52.7
Issued share capital	37.3	37.3	37.3	37.3	37.3	29.8	29.8	29.8	29.8
Reserves	24.6	24.4	21.7	17.6	23.6	22.2	38.2	31.1	22.9
Equity shareholders' funds	61.9	61.7	59.0	54.9	60.9	52.0	68.0	60.9	52.7
<b>Statistics</b>									
Earnings/(loss) per share	1.90p	1.08p	0.56p	0.42p	0.28p	(2.62p)	1.37p	1.33p	(0.86)p
Dividends per share	2.0p	1.0p	0.5p	–	–	–	–	–	–
Profit/(loss) from operations as a percentage of revenue	7.8%	5.0%	2.6%	2.0%	1.1%	(1.5)%	2.8%	2.7%	(1.0)%
Profit/(loss) before taxation as a percentage of net assets	31.9%	19.8%	10.3%	8.0%	5.1%	(27.1)%	13.7%	16.7%	(7.8)%
Net asset value per ordinary share*	8.41p	8.32p	7.92p	7.36p	7.96p	8.70p	11.40p	10.21p	8.8p
Gearing**	–	–	–	–	–	9.3%	–	–	–

\* Excludes treasury shares.

\*\* Computed as (bank borrowings less cash and cash equivalents)/net assets.

In the above table, 2005 to 2008 figures reflect the results and state of affairs of the Group reported in accordance with IFRS. It is not practicable to restate previous years' results according to IFRS.

# Shareholders' Information

As at 26 March 2008

## Shareholders' Helpline Number 0870 707 1110

Computershare Services PLC, the Company's Registrar, has introduced a facility where shareholders are able to access details of their shareholding over the internet, subject to passing an identity check. You can access this service on their website at [www.computershare.com](http://www.computershare.com). The site also includes information on recent trends on the Company's share price.

## Financial Calendar

### Annual General Meeting

2.00 pm, Monday 2 June 2008

### Proxies to reach Registrars prior to

2.00 pm, Thursday 29 May 2008

### Meeting to be held at

The Breakfast Room  
Corus Hotel Hyde Park  
Lancaster Gate  
London W2 3LG

### Accounting Periods 2008/2009

#### First half-year ends

Saturday 26 July 2008

#### Second half-year ends

Saturday 31 January 2009

## Trademarks



LAURA ASHLEY

# Notice of 2008 Annual General Meeting

Notice is hereby given that the Annual General Meeting of Laura Ashley Holdings plc will be held at the Breakfast Room, Corus Hotel Hyde Park, Lancaster Gate, London W2 3LG on Monday, 2 June 2008 at 2.00 p.m. for the transaction of the following business:

## Ordinary Business

1. To receive, acknowledge and adopt the Directors' Report and accounts for the financial year ended 26 January 2008, together with the signed and dated Auditor's Report.

2. To re-elect Ms Lillian Tan Lian Tee, the Chief Executive Officer of Laura Ashley, who retires by rotation in accordance with the Articles of Association of the Company, as a Director.

3. To re-elect Ms Sally Kealey who retires by rotation in accordance with the Articles of Association of the Company, as a Director.

4. To elect Mr Leonard Sebastian who offers himself for election as a Director in accordance with the Articles of Association of the Company.

5. To elect Mr Ng Kwan Cheong who offers himself for election as a Director in accordance with the Articles of Association of the Company.

6. To re-elect Mr Roger Bambrough who is 71 years of age and who retires in accordance with the Company's Articles of Association which require any director of the age of 70 years or more to retire at the Annual General Meeting.

7. To re-elect Mr David Walton Masters who has served on the Board for more than nine years as a Non-Executive Director and who retires in accordance with provision A.7.2 of the Code.

8. To reappoint Chantrey Vellacott DFK LLP, Chartered Accountants and Registered Auditor, as Auditor to the Company, to hold office from the conclusion of the Annual General Meeting to the conclusion of the next general meeting of the Company at which the accounts are laid before shareholders and to authorise the Directors to determine their remuneration.

9. To approve the Directors' Remuneration Report.

10. THAT a final dividend of 1.0 pence per ordinary share for the year ended 26 January 2008 be declared and paid on 6 June 2008 to holders of ordinary shares on the register at the close of business on 9 May 2008 in respect of each ordinary share.

11. THAT pursuant to paragraph 10(2) of Schedule 5 of the Companies Act 2006, and without prejudice to the existing provisions of the Articles of Association of the Company, the Company may notify, send or supply documents or information to members by making them available on its website.

12. THAT the Company may use electronic means (within the meaning of the Disclosure Rules and Transparency Rules Sourcebook published by the Financial Services Authority) to convey or transmit information to its members.

## Special Business

To consider and, if thought fit, pass the following resolutions of which Resolution 13 will be proposed as an ordinary resolution and Resolutions 14 and 15 will be proposed as special resolutions.

## Ordinary Resolution

13. THAT, in addition to and without prejudice or limitation to all existing authorities, the Directors shall have

general and unconditional authority to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Act) having an aggregate nominal value of up to £12,309,583.57 provided that this authority shall expire at the conclusion of the next annual general meeting of the Company, or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

## Special Resolutions

14. THAT, in addition to and without prejudice to all existing authorities, the Directors be and are hereby generally empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by Resolution 13 above for cash as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- a) the allotment (otherwise than pursuant to sub-paragraph (b) below) of equity securities which are, or are to be, wholly paid up in cash up to an aggregate nominal amount equal to £3,730,176.84 representing 10% of the issued share capital of the Company; and
- b) the allotment of equity securities in connection with a rights issue, open offer or otherwise to ordinary shareholders in proportion (as nearly as may be) to the respective numbers of ordinary shares held

# Notice of 2008 Annual General Meeting continued

by them subject to (i) the Directors having a right to aggregate and sell for the benefit of the Company all fractions of a share which may arise in apportioning equity securities among the ordinary shareholders of the Company and (ii) such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or by virtue of the ordinary shares being represented by depository receipts in, any overseas territory, and shall expire at the conclusion of the next annual general meeting of the Company or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired.

15. THAT the Company is generally and unconditionally authorised for the purpose of Section 166 of the Act to make market purchases (as defined in Section 163(3) of the Act) of its ordinary 5 pence shares provided that:

- a) the Company does not purchase under this authority more than 111,905,304 ordinary shares;
- b) the Company does not pay less than 5 pence for each ordinary share;

c) the Company does not pay for each ordinary share more than 105% of the average of the middle market prices of the ordinary shares according to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned;

this authority shall expire at the conclusion of the next annual general meeting of the Company or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), provided that the Company may before such expiry make an offer or agreement where the purchase will or may be executed after the authority terminates (either wholly or in part) and the Directors may complete such purchase in pursuance of such offer or agreement as if the power hereby conferred had not expired.

To transact any other business considered appropriate to be dealt with at an Annual General Meeting.

By Order of the Board  
**David Cook**  
**Angela Ong Chwee Peng**  
*Joint Company Secretaries*

27 Bagleys Lane, Fulham  
London SW6 2QA

26 March 2008

## Notes

1. If you have sold or transferred all of your shares in the Company, please send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

2. The Company, pursuant to Regulation no. 41 of the Uncertificated Securities Regulations 2001, specifies that only holders of ordinary shares registered in the Register of Members of the Company as at 2.00 pm on 29 May 2008 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after 2.00 pm on 29 May 2008 shall be disregarded in determining the right of any person to attend and vote at the Meeting.

3. A member of the Company who is entitled to attend and vote at the Meeting convened by this Notice, may appoint one or more proxies to attend and, on a poll, vote in his or her place. A proxy need not be a member of the Company. A form of proxy is enclosed. In order to be valid, an instrument appointing a proxy and any power of attorney under which it is executed (or a notarially certified copy thereof) must be deposited at Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, not later than 48 hours before the time appointed for the Meeting. The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the Meeting should they so wish.

4. There will be available for inspection at the Company's Registered Office at 27 Bagleys Lane, Fulham, London SW6 2QA, during normal business hours (9am to 5pm) on any weekday (public holidays excluded) from the date of this Notice until the date of the Annual General Meeting, and at the place of the Meeting for 15 minutes prior to and during the Meeting the following:

- a) the Register of Directors' Interests in the shares of the Company, kept in accordance with Section 325 of the Act; and
- b) copies of the Directors' service contracts and letters of appointment.

# Store Locations in UK and Ireland

Store	Type	Address	Telephone
Aberdeen	Mixed Product	44/45 Bon Accord Centre, George Street, Aberdeen, Aberdeenshire, AB25 1HJ	0871 223 1488
Aberystwyth	Home	19/21 North Parade, Aberystwyth, Ceredigion, SY23 2JN	0871 223 1334
Amersham	Home	23 Woodside Road, Amersham, Buckinghamshire, HP6 6AA	0871 223 1456
Ashford	Concession	c/o Homebase, Unit 3 Barrey Road, Ashford Business Park, Sevington, Ashford, Kent, TN24 0LQ	0871 223 1434
Athlone	Home	Unit 4B, Arcadia Retail Park, Arcadia, Athlone, Ireland	00353 906 478750
Ayr	Concession	c/o Homebase, Unit 8, Heathfield Retail Park, Ayr, Ayrshire, KA8 9DJ	0871 223 1301
Banbury	Home	43 Market Place, Banbury, Oxfordshire, OX16 5NW	0871 223 1458
Bangor	Concession	c/o Homebase, Balloo Retail Park, Balloo Link Road, Bangor, County Down, Northern Ireland, BT19 7QT	0871 223 1346
Bangor	Home	Plot 1, Caernarfon Road, Bangor, Gwynedd, LL57 4DB	0871 223 1480
Basingstoke	Concession	c/o Homebase, Winchester Road, Basingstoke, Hampshire, RG22 6HN	0871 223 1459
Basildon	Mixed Product	Unit 4, Westgate Retail Park, Basildon, Essex, SS14 1WP	0871 223 1546
Bath	Concession	c/o Homebase, Pines Way, Bath, Avon, BA2 3ET	0871 223 1327
Bath	Mixed Product	8/9 New Bond Street, Bath, Avon, BA1 1BE	0871 223 1328
Bedford	Mixed Product	75 High Street, Bedford, Bedfordshire, MK40 1NE	0871 223 1370
Belfast	Mixed Product	9 Castle Court Centre, Royal Avenue, Belfast, Co. Antrim, Northern Ireland, BT1 1DD	0871 223 1481
Belfast	Home	Unit 11a, Boucher Retail Park, Boucher Crescent, Belfast, Co Antrim, Northern Ireland, BT12 6HU	0871 223 1561
Berkhamsted	Home	172-176 High Street, Berkhamsted, Hertfordshire, HP4 3AP	0871 223 1557
Beverley	Home	36/40 Toll Gavel, Beverley, East Yorkshire, HU17 9AR	0871 223 1310
Bicester	Mixed Product	Unit 2, Bicester Garden Centre, Oxford Road, Bicester, Oxfordshire, OX25 2NY	0871 223 1508
Biggleswade	Home	Unit A1, Biggleswade Retail Park, Biggleswade, Bedfordshire, SG18 8PS	0871 223 1371
Birkdale	Home	38 Weld Road, Birkdale, Southport, Lancashire, PR8 2ED	0871 223 1347
Birmingham	Home	589-613 Hagley Road West, Quinton, Birmingham, B32 1BY	0871 223 1349
Birmingham	Home	18 The Pavillions, 38 High Street, Birmingham, West Midlands, B4 7SL	0871 223 1566
Birmingham	Concession	c/o House of Fraser, Corporation Street, Birmingham, B2 5JS	0871 223 1610
Bishop's Stortford	Mixed Product	17 South Street, Bishop's Stortford, Hertfordshire, CM23 3AB	0871 223 1372
Bluewater Park	Mixed Product	L103 Lower Guildhall, Bluewater, Greenhithe, Kent, DA9 9SN	0871 223 1436
Bolton	Home	63 The Linkway, Middlebrook, Horwich, Bolton, Lancashire, BL6 6JA	0871 223 1563
Bournemouth	Mixed Product	2 Westover Retail Park, Wimbourne Road, Bournemouth, Dorset, BH9 2EG	0871 223 1415
Bracknell	Concession	c/o Homebase, Wokingham Road, Bracknell, Berkshire, RG42 1NB	0871 223 1460
Bradford	Concession	c/o Homebase, 762 Harrogate Road, Greengates, Bradford, West Yorkshire, BD10 0QF	0871 223 1311
Brentwood	Home	1 Weald Road, Brentwood, Essex, CM14 4SN	0871 223 1432
Brighton	Mixed Product	45 East Street, Brighton, East Sussex, BN1 1HN	0871 223 1416
Bristol	Mixed Product	Unit M14, The Galleries, Broadmead, Bristol, BS1 3XF	0871 223 1326
Bristol Eastgate	Mixed Product	Unit K, Eastgate Centre, Eastgate Road, Bristol, BS5 6XX	0871 223 1615
Broadstairs	Home	Unit 5, Broadstairs Retail Park, Margate Road, Broadstairs, Thanet, Kent, CT10 2QW	0871 223 1596
Bromley	Mixed Product	62 High Street, Bromley, Kent, BR1 1EY	0871 223 1437
Bury St Edmunds	Mixed Product	1 The Lexicon, Cornhill, Bury St Edmunds, Suffolk, IP33 1BT	0871 223 1373
Cambridge	Mixed Product	Unit 39, Grand Arcade, Cambridge, Cambridgeshire, CB2 3BJ	0871 223 1407
Canterbury	Home	Unit 1b, 26 Maynard Road, Wincheap Trading Estate, Canterbury, Kent, CT1 3RH	0871 223 1438
Cardiff	Mixed Product	6 Queens West Precinct, Queens Street, Cardiff, South Glamorgan, CF1 4AH	0871 223 1392
Cardiff Ty Glas	Mixed Product	Unit 3, Ty Glass Retail Park, Ty Glass Avenue, Llanishen, Cardiff, CF14 5DY	0871 223 1579
Carlisle	Home	Unit 3, London Road Retail Park, Carlisle, Cumbria, CA1 2PW	0871 223 1303
Carlisle	Mixed Product	3/4 Grapes Lane, Carlisle, Cumbria, CA3 8NH	0871 223 1302
Carmarthen	Home	Unit 3, Parc Pensarn, Llanelli Road, Carmarthen, Carmarthenshire, SA31 2NF	0871 223 1394
Chelmsford	Mixed Product	10/13 Grays Brewery Yard, Springfield Road, Chelmsford, Essex, CM2 6QR	0871 223 1375
Cheltenham	Mixed Product	92 The Promenade, Cheltenham, Gloucestershire, GL50 1NB	0871 223 1395
Chester	Concession	c/o Homebase, Chester Retail Park, Sealand Road, Chester, Cheshire, CH1 4RY	0871 223 1352
Chester	Mixed Product	20-24, Paddock Row, The Mall Shopping Centre, Chester, Cheshire, CH1 1ED	0871 223 1351
Chichester	Home	104 The Hornet, Chichester, West Sussex, PO19 7JR	0871 223 1418
Chichester	Mixed Product	32 North Street, Chichester, West Sussex, PO19 1LX	0871 223 1417
Chippenham	Mixed Product	Unit 3B, Hathaway Retail Park, Foundry Lane, Chippenham, SN15 1JG	0871 223 1614
Cirencester	Home	42a Querns Lane, Cirencester, Gloucestershire, GL7 1RH	0871 223 1383
Colchester	Concession	c/o Homebase, St Andrews Avenue, Colchester, Essex, CO4 3BG	0871 223 1377
Colchester	Mixed Product	4/5 Trinity Square, Colchester, Essex, CO1 1JR	0871 223 1376
Coleraine	Mixed Product	2-6 Stone Row, Coleraine, Northern Ireland, BT52 1EP	0871 223 1483
Congleton	Home	Unit C, Congleton Retail Park, Barn Road, Congleton, Cheshire, CW12 1LJ	0871 223 1559
Cork	Home	Units 9/10, Merchants Quay, Patrick Street, Cork, Ireland	00353 214 944 694
Crawley	Mixed Product	Unit 78, County Mall, Crawley, West Sussex, RH10 1FD	0871 223 1439
Crewe	Mixed Product	Unit 9, Grand Junction Way, Crewe, Cheshire, CW1 2RP	0871 223 1597
Derby	Concession	c/o Homebase, Kingsway, Derby, Derbyshire, DE22 3NF	0871 223 1313
Derby	Mixed Product	8 Albert Street, Derby, Derbyshire, DE1 2DS	0871 223 1312
Doncaster	Concession	c/o Homebase, Milethorn Lane, Doncaster, South Yorkshire, DN1 2SU	0871 223 1314
Dorchester	Mixed Product	Unit 3, 43 South Street, Dorchester, Dorset, DT1 1DH	0871 223 1598
Dublin	Mixed product	60/61 Grafton Street, Dublin 2, Ireland	00353 1633 0050
Dublin	Home	Unit 6A, West End Retail Park, Blanchardstown, Dublin 15, Ireland	00353 1885 1292
Dublin	Concession	c/o House of Fraser, Dundrumtown Centre, Sandyford Road, Dublin 16, Ireland	0044 1924 205537
Dudley	Mixed Product	61b Merry Hill Centre, Brierley Hill, Dudley, West Midlands, DY5 1QX	
Dumfries	Home	Unit 5, Cuckoo Bridge Retail Park, Glasgow Road, Dumfries, Dumfries & Galloway, DG2 9BF	0871 223 1590
Durham	Mixed Product	Unit 3, Mercia Retail Park, Pityme, Durham, DH1 5GE	0871 223 1583

# Store Locations in UK and Ireland continued

Store	Type	Address	Telephone
Eastbourne	Mixed Product	129/131 Terminus Road, Eastbourne, East Sussex, BN21 3NR	0871 223 1441
Edinburgh	Mixed Product	51 George Street, Edinburgh, Midlothian, EH2 2HT	0871 223 1304
Edinburgh Straiton	Mixed Product	Unit 2, Straiton Retail Park, Midlothian, Loanhead, Edinburgh, EH20 9PW	0871 223 1586
Ewell	Concession	c/o Homebase, 23 Reigate Road, Ewell Bypass, Ewell, Surrey, KT17 1PE	0871 223 1442
Exeter	Concession	c/o Homebase, Moor Lane, Sowton Industrial Estate, Exeter, Devon, EX2 7JA	0871 223 1397
Exeter	Mixed Product	41/42 High Street, Exeter, Devon, EX4 3DJ	0871 223 1396
Farnham	Home	The Barn, The Lion and Lamb Yard, Farnham, Surrey, GU9 7LL	0871 223 1419
Galway	Home	Calbro Court, Tuam Road, Galway, Ireland	00353 91700139
Gainsborough	Mixed Product	Unit 9, Marshalls Yard, Gainsborough, Lincolnshire, DN21 2NA	0871 223 1589
Gateshead	Mixed Product	14a The Parade, Metro Centre, Gateshead, Tyne and Wear, NE11 9YJ	0871 223 1315
Glasgow	Concession	c/o Homebase, Main Street, Milngavie, Glasgow, East Dumbartonshire, G62 6JP	0871 223 1305
Glasgow	Mixed Product	36-38 West George Street, Glasgow, Strathclyde, G2 1DA	0871 223 1479
Glasgow	Home	Unit E, Braehead Shopping Centre, Kings Inch Road, Glasgow, G51 4BP	0871 223 1577
Gloucester	Home	Unit 2 Blooms of Bressingham, Bath Road, Haresfield, Gloucester, Gloucestershire, GL10 3DP	0871 223 1558
Grantham	Mixed Product	Unit 3, Discovery Retail Park, London Road, Grantham, Lincolnshire, NG31 6EY	0871 223 1574
Guildford	Concession	c/o Homebase, Europa Park Road, Guildford, Surrey, GU1 1AJ	0871 223 1421
Guildford	Mixed Product	71/72 North Street, Guildford, Surrey, GU1 4AW	0871 223 1420
Harlow	Home	Unit 6A, Queensgate Centre, Edinburgh Way, Harlow, Essex, CM20 2DH	0871 223 1378
Harrogate	Mixed Product	3 James Street, Harrogate, North Yorkshire, HG1 1QS	0871 223 1316
Haverfordwest	Mixed Product	Unit 4, Withybush Retail Park, Fishguard Road, Haverfordwest, Pembrokeshire, SA61 2PY	0871 223 1593
Haywards Heath	Mixed Product	2/4 South Road, High Street, Haywards Heath, West Sussex, RH16 4LA	0871 223 1619
Hemel Hempstead	Mixed Product	Unit C3, Riverside Shopping Centre, Hemel Hempstead, Hertfordshire, HP1 1BT	0871 223 1603
Hereford	Mixed Product	7 Commercial Street, Hereford, Herefordshire, HR1 2DB	0871 223 1399
High Wycombe	Concession	c/o House of Fraser, Newlands Meadow, Eden, High Wycombe, Buckinghamshire, HP11 2BZ	0871 223 1501
Horsham	Mixed Product	3/4 Middle Street, Horsham, West Sussex, RH12 1NW	0871 223 1443
Huddersfield	Home	Unit 2 Castlegate Retail Park, St Johns Road, Huddersfield, West Yorkshire, HD1 5AN	0871 223 1560
Hull	Home	Unit 3A, The Junction Retail Park, St. Andrews Quay, Hull, HU3 4SA	0871 223 1608
Huntingdon	Concession	c/o Homebase, Stukeley Road, Huntingdon, Cambridgeshire, PE29 6HG	0871 223 1379
Ilkley	Mixed Product	1 Station Plaza, Ilkley, Yorkshire, LS29 8HF	0871 223 1575
Inverness	Mixed Product	Unit A, Falcon Square, Millburn Road, Inverness, Inverness-shire, IV2 3PP	0871 223 1306
Ipswich	Concession	c/o Homebase, Felixstowe Road, Warren Heath, Ipswich, Suffolk, IP3 8TQ	0871 223 1380
Ipswich	Mixed Product	Unit B2, The Buttermarket, Ipswich, Suffolk, IP1 1DT	0871 223 1367
Kendal	Mixed Product	11 Library Road, Kendal, Cumbria, LA9 4QB	0871 223 1307
Kensington	Mixed Product	96B Kensington High Street, Kensington, London, W8 4SG	0871 223 1424
Kettering	Mixed Product	Unit 5, Kettering Retail Park, Carina Road, Kettering, Northamptonshire, NN15 6YA	0871 223 1585
King's Lynn	Mixed Product	48/49 High Street, King's Lynn, Norfolk, PE30 1BE	0871 223 1382
Kingston	Home	The Griffin Centre, Market Place, Kingston Upon Thames, Surrey, KT1 1JT	0871 223 1444
Knightsbridge	Mixed Product	7-9 Harriet Street, Knightsbridge, London, SW1X 9JS	0871 223 1422
Knutsford	Home	Victoria House, Tatton Street, Knutsford, Cheshire, WA16 6AF	0871 223 1354
Lancaster	Home	Unit 3, Kingsway Retail Park, Lancaster, LA1 1DG	0871 223 1567
Leamington Spa	Mixed Product	108 The Parade, Leamington Spa, Warwickshire, CV32 4AQ	0871 223 1489
Leeds	Mixed Product	Church Institute, 9 Lands Lane, Leeds, West Yorkshire, LS1 6AW	0871 223 1320
Leeds	Concession	c/o Homebase, King Lane, Moortown, Leeds, West Yorkshire, LS17 5NY	0871 223 1321
Leeds	Concession	c/o House of Fraser, 140-142 Briggate, Leeds, LS1 6BR	0871 223 1611
Leicester	Mixed Product	6 Eastgate, Leicester, Leicestershire, LE1 4FB	0871 223 1322
Lewes	Home	3 Eastgate Centre, Lewes, East Sussex, BN7 2AS	0871 223 1445
Lincoln	Mixed Product	310 High Street, Lincoln, LN5 7DR	0871 223 1324
Limerick	Mixed Product	Unit 9, Savoy, Henry Street, Limerick, Ireland, WW1 2EE	00353 6160 9746
Liverpool (Aintree)	Home	Unit 4A, Aintree Race Course Retail Park, Ormskirk Road, Liverpool, L95 AN	0871 223 1576
Liverpool (Speke)	Mixed Product	Unit 11, New Mersey Retail Park, Speke Road, Liverpool, L24 8QB	0871 223 1605
London Oxford Street	Concession	c/o House of Fraser, 318 Oxford Street, London, W1C 1HF	0871 223 1612
Londonderry	Concession	c/o Homebase, Unit 1, 20 Crescent Link Road, Altnagelvin, Londonderry, Northern Ireland, BT47 5FX	0871 223 1487
Loughborough	Concession	c/o Homebase, 5 Willowbrook Park, Derby Road, Loughborough, Leicestershire, LE11 5HJ	0871 223 1331
Maidstone	Mixed Product	8/10 King Street, Maidstone, Kent, ME14 1DE	0871 223 1446
Manchester	Concession	c/o House of Fraser, 98-116, Deansgate, Manchester, M60 3AU	0871 223 1613
Manchester Cheetham Hill	Mixed Product	Unit A, Cheetham Hill Retail Park, Elizabeth Street, Manchester, M8 8BB	0871 223 1595
Mansfield	Mixed Product	Unit 5B, St Peters Court, St Peters Retail Park, Station St, Mansfield, Nottinghamshire, NG18 1BE	0871 223 1609
Marble Arch	Mixed Product	451 Oxford Street, Marble Arch, London, W1C 2PT	0871 223 1425
Marlborough	Home	Unit 1, Hilliers Yard, Marlborough, Wiltshire, SN8 1BE	0871 223 1463
Middlesbrough	Mixed Product	48 Linthorpe Road, Middlesbrough, Cleveland, TS1 1RA	0871 223 1332
Milton Keynes	Mixed Product	163-175 Grafton Gate East, Milton Keynes, Buckinghamshire, MK9 1AE	0871 223 1490
Nantwich	Home	Station Road, Nantwich, Cheshire, CW5 5SR	0871 223 1357
New Southgate	Concession	c/o Homebase, 3 Station Road, New Southgate, London, N11 1QJ	0871 223 1464
Newbury	Mixed Product	139 Bartholomew Street, Kennet Shopping Centre, Newbury, Berkshire, RG14 5EN	0871 223 1556
Newcastle-Under-Lyme	Mixed Product	45 High Street, Newcastle-Under-Lyme, Staffordshire, ST5 1PN	0871 223 1358
Newport I.O.W.	Mixed Product	36 High Street, Newport, Isle of Wight, PO30 1SR	0871 223 1426
Newtown	Mixed Product	Units 4/5, Bear Lanes, Newtown, Powys, SY16 2QZ	0871 223 1360
Northallerton	Home	1 South Parade, Northallerton, North Yorkshire, DL7 8SE	0871 223 1333
Northampton	Mixed Product	Unit 3B, Peacock Place, Northampton, Northamptonshire, NN1 2DP	0871 223 1385
Northampton St James	Mixed Product	Unit 5A, St James Retail Park, Towester Road, Northampton, Northamptonshire, NN1 1EE	0871 223 1588
Norwich	Home	Waitrose, The Eaton Centre, Church Lane, Eaton, Norwich, Norfolk, NR4 6NU	0871 223 1388
Norwich	Mixed Product	19 London Street, Norwich, Norfolk, NR2 1JE	0871 223 1387
Nottingham	Home	Unit 3, Castle Boulevard, Nottingham, Nottinghamshire, NG7 1FN	0871 223 1335

Store	Type	Address	Telephone
Omagh	Home	1a Showgrounds Retail Park, Omagh, Co Tyrone, Northern Ireland, BT79 7AQ	0871 223 1562
Orpington	Mixed Product	Unit 20, Nugent Shopping Park, Cray Avenue, Orpington, Kent, BR5 3RP	0871 223 1580
Oxford	Home	267 Banbury Road, Summertown, Oxford, Oxfordshire, OX2 7HT	0871 223 1467
Perth	Mixed Product	189/191 High Street, Perth, Perthshire, PH1 5UN	0871 223 1308
Peterborough	Mixed Product	90 Queensgate Centre, Peterborough, Cambridgeshire, PE1 1NS	0871 223 1389
Peterborough	Mixed Product	Unit P1, Bretton Shopping Park, Peterborough, Cambridge, PE3 8DA	0871 223 1616
Petersfield	Home	Unit 2, 15-17 The Square, Petersfield, Hampshire, GU32 3HP	0871 223 1564
Plymouth	Concession	c/o Homebase, Longbridge Road, Marsh Mills, Plymouth, Devon, PL6 8LD	0871 223 1402
Plymouth	Mixed Product	Unit B, The Armada Centre, Mayflower Street, Plymouth, Devon, PL1 1LE	0871 223 1401
Preston	Mixed Product	32 Fishergate, Preston, Lancashire, PR1 2AD	0871 223 1361
Poole	Home	Unit 3, The Commerce Centre, Redlands, Poole Road, Poole, Dorset, BH12 1DN	0871 223 1584
Purley	Home	5 Russell Hill Parade, Russell Hill Road, Purley, Surrey, CR8 2LE	0871 223 1447
Putney	Home	Unit 15, Putney Bridge Road, Putney Bridge Wharf, London, SW15 2NA	0871 223 1565
Rayleigh	Home	Unit B, 46 Stadium Way, Rayleigh, Essex, SS7 3NT	0871 223 1390
Reading	Mixed Product	Unit 9, Brunel Retail Park, Rose Kiln Lane, Reading, Berkshire, RG2 0JZ	0871 223 1581
Reigate	Home	14 -18 Church Street Reigate Surrey, RH2 0AN	0871 223 1571
Richmond	Mixed Product	44/45 George Street, Richmond, Surrey, TW9 1HJ	0871 223 1448
Rugby	Home	Unit A, Junction One Retail Park, Leicester Road, Rugby, Warwickshire, CV21 1SR	0871 223 1362
Salisbury	Mixed Product	7 New Canal, Salisbury, Wiltshire, SP1 2AA	0871 223 1428
Sevenoaks	Mixed Product	2 Blighs Court, Sevenoaks, Kent, TN13 1DD	0871 223 1449
Sheffield	Home	5 Archer Drive, Archer Road Retail Park, Sheffield, South Yorkshire, S8 0LB	0871 223 1478
Sheffield	Mixed Product	56 Park Lane, Meadowhall Centre, Sheffield, South Yorkshire, S9 1EL	0871 223 1336
Shepton Mallet	Mixed Product	Unit 4A, Townsend Retail Park, Townsend, Shepton Mallet, Somerset, BA4 5TZ	0871 223 1601
Shoreham	Concession	c/o Homebase, Holmbush Farm, Upper Shoreham Road, Shoreham-by-Sea, West Sussex, BN43 6TD	0871 223 1429
Shrewsbury	Mixed Product	Unit SU2, Charles Darwin Centre, Pride Hill, Shrewsbury, Shropshire, SY1 1BN	0871 223 1363
Skipton	Home	Unit 13, Craven Court, High Street, Skipton, North Yorkshire, BD23 1DG	0871 223 1338
Solihull	Mixed Product	124 High Street, Solihull, West Midlands, B91 3SX	0871 223 1404
Southampton	Mixed Product	Units 7, 8 & 9, Hanover Buildings, Southampton, Hampshire, SO14 1JX	0871 223 1569
South Woodford	Home	12-14 Electric Parade, George Lane, South Woodford, London, E18 2LY	0871 223 1468
Southport	Mixed Product	465/467 Lord Street, Southport, Merseyside, PR9 0AQ	0871 223 1364
Southsea	Mixed Product	36-38 Palmerston Road, Southsea, Hampshire, PO5 3QH	0871 223 1430
St Albans	Mixed Product	13 Market Place, St Albans, Hertfordshire, AL3 5DR	0871 223 1469
Stafford	Home	Friary Retail Park, 115 Wolverhampton Road, Stafford, ST17 4AH	0871 223 1570
Staines	Home	Unit S9B, Two Rivers Shopping Centre, Staines, Middlesex, TW18 4WB	0871 223 1591
Staples Corner	Home	Unit 3A, Staples Corner Retail Park, Off Edgware Road, London, NW2 6LQ	0871 223 1572
Stevenage	Mixed Product	Unit B1, Roebuck Retail Park, London Road, Stevenage, Hertfordshire, SG1 1XZ	0871 223 1607
Stirling	Mixed Product	21 Port Street, Stirling, Stirlingshire, FK8 2EJ	0871 223 1309
Stockport	Mixed Product	2 Warren Street, Stockport, Cheshire, SK1 1UD	0871 223 1365
Stratford-upon-Avon	Mixed Product	Unit 1, 24-26 Bridge Street, Stratford-upon-Avon, Warwickshire, CV37 6AA	0871 223 1405
Stockton-on-Tees	Mixed Product	Units 4B & 9A, Teeside Shopping Park, Sandown Way, Stockton-on-Tees, Teeside, TS17 7BT	0871 223 1602
Sunbury	Home	Unit 2b, Sunbury Cross Shopping Centre, Staines Road West, Sunbury Upon Thames, Middlesex, TW16 7BB	0871 223 1450
Sutton	Home	Units 3/4, Times 2 Shopping Centre, High Street, Sutton, Surrey, SM1 1LF	0871 223 1451
Sutton Coldfield	Mixed Product	164 The Parade, Gracechurch Centre, Sutton Coldfield, West Midlands, B72 1PH	0871 223 1366
Swansea	Home	Unit 6a, Pontarddulais Road Retail Park, Swansea, Glamorgan, SA5 4BA	0871 223 1592
Swindon	Mixed Product	Unit 14b Greenbridge Retail Park, Swindon, SNG 3SG	0871 223 1568
Taunton	Concession	c/o Homebase, Riverside Retail Park, Hankridge Way, Taunton, Somerset, TA1 2LR	0871 223 1408
Taunton	Mixed Product	Unit 2, Belvedere Retail Park, Taunton, Somerset, TA1 1NQ	0871 223 1582
Telford	Mixed Product	Unit 3, The Junction, Telford Forge Shopping Centre, Colliers Way, Telford, Shropshire, TF3 4AG	0871 223 1606
Tenterden	Mixed Product	19/21 High Street, Tenterden, Kent, TN30 6BJ	0871 223 1452
Torquay	Mixed Product	74 Fleet Street, Torquay, Devon, TQ2 5EB	0871 223 1409
Truro	Concession	c/o Homebase, Unit 4, Treliske Retail Park, Tresawls Road, Treliske, Truro, Cornwall, TR1 3LN	0871 223 1411
Truro	Mixed Product	Unit 2, 7 Pydar Street, Truro, Cornwall, TR1 2AR	0871 223 1410
Tunbridge Wells	Mixed Product	61 Calverley Road, Tunbridge Wells, Kent, TN1 2UY	0871 223 1454
Twickenham	Home	76-80 Heath Road, Twickenham, Middlesex, TW1 4BW	0871 223 1594
Wakefield	Home	Unit 7, Ings Road, Westgate Retail and Leisure Park, Wakefield, West Yorkshire, WF2 9SD	0871 223 1587
Warrington	Mixed Product	Unit 9, Riverside Retail Park, Wharf Street, Howley, Warrington, Cheshire, WA1 2GZ	0871 223 1368
Watford	Mixed Product	Unit 3, 1 The Parade, High Street, Watford, Hertfordshire, WD17 1LQ	0871 223 1471
Weybridge	Home	17-19 Church Street, Weybridge, Surrey, KT13 8DE	0871 223 1455
Winchester	Mixed Product	126 High Street, Winchester, Hampshire, SO23 9AX	0871 223 1431
Windsor	Mixed Product	99 Peascod Street, Windsor, Berkshire, SL4 1DH	0871 223 1476
Wolverhampton	Mixed Product	Unit A2, Bentley Bridge Retail Park, Bentley Bridge Way, Wolverhampton, WV11 1BP	0871 223 1599
Woodbridge	Home	11B & 11C, The Thoroughfare, Woodbridge, Suffolk, IP12 1AA	0871 223 1618
Worcester	Concession	c/o Homebase, Unit A, Elgar Retail Park, Blackpole Road, Blackpole, Worcester, Worcestershire, WR3 8HP	0871 223 1474
Worcester	Mixed Product	12 Crown Passage, Broad Street, Worcester, Worcestershire, WR1 3LL	0871 223 1473
Workington	Mixed Product	Risman Place, Workington, Cumbria, CA14 3DU	0871 223 1573
Worthing	Home	Units 1/2, Montague Centre, Worthing, West Sussex, BN11 1YJ	0871 223 1433
Yeovil	Mixed Product	28 Vicarage Walk, Quedem Centre, Yeovil, Somerset, BA20 1EX	0871 223 1413
York	Mixed Product	7 Davygate, York, North Yorkshire, YO1 8QR	0871 223 1341
York	Mixed Product	Unit 3, Monks Cross Retail Park, Monks Cross Drive, Huntington, North Yorkshire, YO32 9GX	0871 223 1343

