



The home of fresh baking®

29 April 2013

GREGGS plc
INTERIM MANAGEMENT STATEMENT

***Greggs is the leading bakery retailer in the UK,
with almost 1,700 retail shops throughout the country***

- Total sales in the 17 weeks to 27 April 2013 up 3.0%
- Wholesale and franchise sales contributed 2.9% to overall sales growth
- Own shop like-for-like sales in the first 17 weeks down 4.4%
- Improved trend in latest two weeks: like-for-like sales down 1.5%
- 10 net new shops opened and 59 refits completed

Trading performance

Our total sales for the 17 weeks to 27 April 2013 grew by 3.0 per cent, driven by our new shop opening programme and the continued development of wholesale and franchise sales.

Like-for-like sales in our own shops in the 17 weeks to 27 April 2013 were 4.4 per cent lower, particularly impacted by adverse weather in January and March. The most recent two weeks indicate an underlying rate of like-for-like decline of around 1.5 per cent reflecting in part the beginning of the weaker comparisons seen last year. We are continuing to experience lower footfall across much of the estate although average transaction values have increased marginally. Our new shop openings remain focused on locations that have been less impacted by lower footfall such as workplaces, travel and leisure destinations.

With the consumer remaining under pressure sales of promotional deals have been particularly strong with a slight impact on margin and we expect this trend to continue. Despite good cost control overall profits have been affected in the first quarter of the year and are behind our plan and last year. The business remains highly cash-generative and maintains a strong balance sheet position.

Shops and new channels

During the first 17 weeks we opened 18 new shops, including 6 franchised units with Moto Hospitality Limited. This is in line with our plan for the year and represents a net addition of 10 shops after 8 closures, giving a total of 1,681 shops at 27 April. Our partnership with Moto is going well and there are now 16 Greggs shops operated under license by Moto in their motorway services. We also completed 59 shop refurbishments in the period, in line with our plan to refit around 250 shops during 2013.

The extension of our frozen Greggs-branded bake at home range in Iceland Foods continues to be successful and we will be working in partnership to further develop this wholesale channel.

Outlook

We do not expect a significant improvement in the difficult underlying market conditions in the short term. The business is focused on continuing with our plans to invest in core sales performance whilst taking action to reduce costs. Although we are only four months into the year, based on current own shop like-for-like performance we believe that profits for the year are likely to be slightly below the lower end of the range of market expectations⁽¹⁾.

We continue to make progress with our strategic plan which we are evolving to position the business for long term growth and to develop the Greggs brand.

ENQUIRIES:

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Footnote

⁽¹⁾ We believe that analysts' expectations for the financial year ending 28 December 2013 are in the range of £47.5 million to £55.2 million.