29 July 2015

INTERIM RESULTS FOR THE 26 WEEKS ENDED 4 JULY 2015

Greggs is the leading bakery food-on-the-go retailer in the UK, with almost 1,700 retail outlets throughout the country

A STRONG FIRST HALF

Financial highlights

- Total sales up 6.4% to £398m (2014: £374m*)
- Own shop like-for-like sales up 5.9% (2014: 3.2%)
- Prior year restructuring benefits contributed £2.4m year-on-year
- Pre-tax profit £25.6m (2014: £16.9m excluding exceptional items)
- Diluted earnings per share 19.5p (2014: 12.5p)
- Continued strong cash generation
- Ordinary interim dividend per share of 7.4p (2014: 6.0p)
- Special dividend of 20.0p paid on 17 July 2015

Operational highlights

- Continued growth in average transaction value and customer visits
- Good results from sales initiatives:
  - extension of "Balanced Choice" range
  - further growth in breakfast sales
- Shop refurbishment programme progressing well:
  - 118 refits and 12 café conversions completed
- Return to net shop growth (44 new shops opened, 30 closures)
- 1,664 shops trading at 4 July 2015
- Further efficiencies from change programme

* restated to reflect inclusion of recharged franchisee costs (see note 2)

"We have had a strong first half with good growth in sales reflecting improvements in our products and the reaction to our shop investment programme. Our offer of great tasting food-on-the-go is being well received by the consumer in market conditions that have remained favourable. In particular we have seen significant growth in breakfast sales as well as from the extension of our "Balanced Choice" range of sandwiches and flatbreads with fewer than 400 calories.

"With the shop refurbishment programme continuing to progress well and new additions to the product range including pizza slices, we are confident of delivering a year of good growth slightly ahead of our previous expectations."

- ***Roger Whiteside, Chief Executive***

ENQUIRIES:

Greggs plc
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An audio webcast of the analysts' presentation will be available to download later today at http://corporate.greggs.co.uk/results-centre

CHIEF EXECUTIVE'S REPORT

Financial performance

We continued to deliver a strong trading performance through the first half of the year. Our total sales for the 26 weeks to 4 July 2015 grew by 6.4 per cent to £398 million. Like-for-like sales in our own shops grew by 5.9 per cent over the same period and our franchised estate grew to 70 shops (28 June 2014: 39). Our focus on offering great tasting food-on-the-go and investing in our shop estate continued to drive growth in average transaction value and customer visits.

Operating margin benefited from the impact of strong like-for-like sales in the period and a £2.4 million year-on-year cost reduction as a result of last year's restructuring of our in-store bakeries and support operations. Most of this restructuring benefit has now annualised, with a further £0.6 million year-on-year benefit to come in the second half of 2015. Property disposals realised profits of £0.1 million in the period (2014: £1.4 million). Including these gains, operating profit was £25.6 million in the first half of the year (2014: £16.8 million, excluding exceptional items).

With no net finance income (2014: £0.1 million) pre-tax profit was £25.6 million (2014: £16.9 million before exceptional items). Diluted earnings per share for the period were 19.5 pence (2014: 12.5 pence before exceptional items).

Dividend

The Board has declared an interim dividend of 7.4 pence per share (2014: 6.0 pence). This is in line with our progressive dividend policy, which targets a full year ordinary dividend that is two times covered by earnings. The interim dividend will be paid on 2 October 2015 to those shareholders on the register at the close of business on 4 September 2015.

As announced at the time of our AGM a special dividend of 20.0 pence per share was paid on 17 July 2015. As a result the Board expects to maintain an appropriate net cash position over the rest of the year which allows for seasonality in the Group's working capital cycle.

Financial position

Capital expenditure during the first half was £31.3 million (2014: £20.4 million) with a continued strong performance from our investment in shop refurbishments and relocations. We expect capital expenditure in 2015 to be around £65 million (2014: £48.9 million) as we prioritise investment in our core estate (c. £40 million) and the upgrading of our process and systems platform (c. £8 million).

The Group continues to generate a strong cash flow and has maintained a robust financial position. Net cash inflow from operating activities in the period was £34.6 million (2014: £30.5 million). We ended the period with a cash balance of £41.4 million (28 June 2014: £21.8 million including £5.0 million invested in a short-term deposit). As noted above a special dividend of £20.2 million was paid following the end of the period.

Operational highlights

Whilst the food-on-the-go market overall remains highly competitive, we have shown that Greggs is a winning brand in this sector and can share in market growth. Trading conditions have remained favourable with low inflation boosting real incomes and helping us to keep our prices low.

We have continued to make good progress in delivering the actions that support our strategic plan:

1. Great tasting fresh food

In the first half we have driven increased customer transaction numbers and higher average transaction values through our product initiatives and value deals. All of our food-on-the-go categories delivered like-for-like growth in the first half with sandwiches in particular benefiting from the range relaunch in June last year.

Our “Balanced Choice” range grew strongly with successful new additions including “no added sugar” drinks and new and improved salad options. All Balanced Choice products contain fewer than 400kcal and rate as either green or amber on the FSA traffic light system. Breakfast continues to be our fastest growing part of the day and we have successfully extended our breakfast menu, adding new porridge and breakfast sandwich options. These include a free-range egg option that has attracted the “Good Egg Award”.

We continue to invest in the value of our food and drinks, and now offer “any savoury product plus a drink” for £2. This has quickly established itself alongside our £2 “sweet and drink” offer as a favourite with customers.

2. A great shopping experience

We have extended further the times at which our shops are available to customers with three quarters now open by 7am and more than two thirds open on Sundays. Our investment in operational planning systems is helping to ensure that we deliver great service by deploying the right level of staffing across the day and we have started to introduce new replenishment processes targeted at improving product availability.

We have also made good progress on the significant programme of investment in upgrading our estate. During the first 26 weeks we completed 118 shop refurbishments to our latest “bakery food-on-the-go” format and have commenced the conversion of our larger bakery cafés, with 12 completed in the first half. This is in line with our plan to update 200 to 220 shops during 2015.

The overall quality of our shop estate has continued to improve through our shop opening and closure programme and we have returned to net shop growth. We opened 44 new shops (including 25 franchise units) and closed 30 shops, giving a total of 1,664 shops (of which 70 are franchise units) trading at 4 July 2015. We expect shop numbers for the full year to increase by a net 20-30 shops overall.

3. Simple and efficient operations

The first half result benefited from the restructuring of our in-store bakeries and support operations carried out in 2014. The year-on-year benefit of this was £2.4 million and a further £0.6 million benefit will accrue in the second half of 2015 as the impact of this annualises fully.

Our other ongoing structural cost reduction plans are progressing well and are on track to save £5-6 million in the year as a whole. Better processes around procurement and product management have delivered lower costs and reduced waste and we continue to consolidate production activity by focusing on centres of excellence in our supply chain.

The proposed increases to the minimum wage are likely to drive inflationary pressure in the broader sector over the coming years. We have consistently paid rates of pay above this level, with our standard rate for hourly-paid shop staff at £7.11, currently nine per cent higher than the national minimum wage. We are assessing the medium-term impact of further increases on our business.

4. Improvement through change

We are making good progress with the major overhaul of our processes and systems and remain on track to introduce new ways of working in central forecasting and replenishment and customer relations. Plans are also well advanced for the next major phase of change which will focus on core elements such as finance, purchasing and retail back office administration.

Keeping our people, communities and values at the heart of our business

We continue to invest in making Greggs a great place to work as well as a good neighbour to the communities in which we operate. In the first half of the year we were delighted to achieve a three-star rating in Business in the Community's Corporate Responsibility Index 2015.

In the current year we are making the donation of unsold food a major priority within our social responsibility plan. We work with a number of charities across the country, including over 150 smaller charities such as soup kitchens, food banks and shelters for homeless and vulnerable people. We also work in partnership with FareShare and The Trussell Trust who support hundreds of charities through their UK network. Several hundred of our shops now donate unsold food and we are looking to extend this.

Outlook

Our strong first half performance reflects improvements in our product offer and investment in our shops together with structural cost reductions. In the second half we will come up against progressively stronger sales comparatives. That said we have a strong pipeline of product initiatives, and market conditions are expected to remain favourable with ingredient cost deflation expected to continue for the balance of the year.

Overall, we expect to deliver a year of good growth, slightly ahead of our previous expectations, and further progress against our strategic plan.

Roger Whiteside
Chief Executive
29 July 2015

Greggs plc
Consolidated income statement
For the 26 weeks ended 4 July 2015

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014			53 weeks ended 3 January 2015		
	Total	Excluding exceptional items As restated (see Note 2)	Exceptional items (see Note 5)	Total As restated (see Note 2)	Excluding exceptional items As restated (see Note 2)	Exceptional items (see Note 5)	Total As restated (see Note 2)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	**398,403**	374,354	-	374,354	806,096	-	806,096
Cost of sales	**(152,369)**	(148,005)	(5,952)	(153,957)	(312,000)	(5,932)	(317,932)
Gross profit	**246,034**	226,349	(5,952)	220,397	494,096	(5,932)	488,164
Distribution and selling costs	**(197,731)**	(190,775)	-	(190,775)	(395,709)	(282)	(395,991)
Administrative expenses	**(22,716)**	(18,733)	(2,302)	(21,035)	(40,303)	(2,302)	(42,605)
Operating profit	**25,587**	16,841	(8,254)	8,587	58,084	(8,516)	49,568
Finance (expense) / income	**(6)**	77	-	77	175	-	175
Profit before tax	**25,581**	16,918	(8,254)	8,664	58,259	(8,516)	49,743
Income tax	**(5,501)**	(4,229)	1,756	(2,473)	(13,997)	1,810	(12,187)
Profit for the period attributable to equity holders of the parent	**20,080**	12,689	(6,498)	6,191	44,262	(6,706)	37,556
Basic earnings per share	**20.0p**	12.6p	(6.4p)	6.2p	44.0p	(6.6p)	37.4p
Diluted earnings per share	**19.5p**	12.5p	(6.4p)	6.1p	43.4p	(6.6p)	36.8p

Greggs plc
Consolidated statement of comprehensive income
For the 26 weeks ended 4 July 2015

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	£'000	£'000	£'000
Profit for the period	**20,080**	6,191	37,556
Other comprehensive income			
Items that will not be recycled to profit or loss:			
Re-measurements on defined benefit pension plans	**3,417**	(3,097)	(8,575)
Tax on items taken directly to equity	**(684)**	619	1,715
Other comprehensive income for the period, net of income tax	**2,733**	(2,478)	(6,860)
Total comprehensive income for the period	**22,813**	3,713	30,696

Greggs plc
Consolidated balance sheet
as at 4 July 2015

	4 July 2015	28 June 2014	3 January 2015
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Intangible assets	**6,838**	1,467	4,721
Property, plant and equipment	**270,271**	260,468	262,719
Deferred tax asset	**1,621**	-	-
	278,730	261,935	267,440
Current assets			
Inventories	**16,033**	15,334	15,290
Trade and other receivables	**26,443**	25,427	26,091
Asset held for sale	**6,500**	7,000	6,500
Cash and cash equivalents	**41,361**	16,780	43,615
Other investments	**-**	5,000	10,000
	90,337	69,541	101,496
Total assets	**369,067**	331,476	368,936
LIABILITIES			
Current liabilities			
Trade and other payables	**(85,714)**	(78,819)	(89,954)
Current tax liabilities	**(6,544)**	(2,725)	(8,056)
Dividends payable	**(20,161)**	-	-
Provisions	**(5,063)**	(4,378)	(4,109)
	(117,482)	(85,922)	(102,119)
Non-current liabilities			
Other payables	**(6,321)**	(6,815)	(6,555)
Defined benefit pension liability	**(5,254)**	(3,041)	(8,518)
Deferred tax liability	**-**	(7,599)	(2,539)
Long term provisions	**(1,483)**	(2,381)	(2,502)
	(13,058)	(19,836)	(20,114)
Total liabilities	**(130,540)**	(105,758)	(122,233)
Net assets	**238,527**	225,718	246,703
EQUITY			
Capital and reserves			
Issued capital	**2,023**	2,023	2,023
Share premium account	**13,533**	13,533	13,533
Capital redemption reserve	**416**	416	416
Retained earnings	**222,555**	209,746	230,731
Total equity attributable to equity holders of the parent	**238,527**	225,718	246,703

Greggs plc
Consolidated statement of changes in equity
For the 26 weeks ended 4 July 2015

26 weeks ended 28 June 2014

	Issued capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 29 December 2013	2,023	13,533	416	220,205	236,177
Profit for the period	-	-	-	6,191	6,191
Other comprehensive income	-	-	-	(2,478)	(2,478)
Total comprehensive income for the period	-	-	-	3,713	3,713
Transactions with owners, recorded directly in equity					
Sale of own shares	-	-	-	4,354	4,354
Purchase of own shares	-	-	-	(5,137)	(5,137)
Share-based payments	-	-	-	267	267
Dividends to equity holders	-	-	-	(13,656)	(13,656)
Total transactions with owners	-	-	-	(14,172)	(14,172)
Balance at 28 June 2014	2,023	13,533	416	209,746	225,718

53 weeks ended 3 January 2015

	Issued capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 29 December 2013	2,023	13,533	416	220,205	236,177
Profit for the financial year	-	-	-	37,556	37,556
Other comprehensive income	-	-	-	(6,860)	(6,860)
Total comprehensive income for the year	-	-	-	30,696	30,696
Transactions with owners, recorded directly in equity					
Sale of own shares	-	-	-	5,257	5,257
Purchase of own shares	-	-	-	(7,873)	(7,873)
Share-based payments	-	-	-	529	529
Dividends to equity holders	-	-	-	(19,570)	(19,570)
Tax items taken directly to reserves	-	-	-	1,487	1,487
Total transactions with owners	-	-	-	(20,170)	(20,170)
Balance at 3 January 2015	2,023	13,533	416	230,731	246,703

26 weeks ended 4 July 2015

	Issued capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	**Total £'000**
Balance at 4 January 2015	2,023	13,533	416	230,731	**246,703**
Profit for the period	-	-	-	20,080	**20,080**
Other comprehensive income	-	-	-	2,733	**2,733**
Total comprehensive income for the period	-	-	-	22,813	**22,813**
Transactions with owners, recorded directly in equity					
Sale of own shares	-	-	-	3,648	**3,648**
Purchase of own shares	-	-	-	(4,078)	**(4,078)**
Share-based payments	-	-	-	1,218	**1,218**
Dividends to equity holders	-	-	-	(36,251)	**(36,251)**
Tax items taken directly to reserves	-	-	-	4,474	**4,474**
Total transactions with owners	-	-	-	(30,989)	**(30,989)**
Balance at 4 July 2015	2,023	13,533	416	222,555	**238,527**

Greggs plc
Consolidated statement of cash flows
For the 26 weeks ended 4 July 2015

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	£'000	£'000	£'000
Operating activities			
Cash generated from operating activities (see page 10)	**41,968**	35,133	108,552
Income tax paid	**(7,383)**	(4,603)	(11,462)
Net cash inflow from operating activities	**34,585**	30,530	97,090
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(27,847)**	(20,471)	(44,456)
Acquisition of intangible assets	**(2,882)**	(455)	(3,809)
Proceeds from sale of property, plant and equipment	**263**	1,966	2,231
Interest received	**147**	77	173
Redemption / (acquisition) of other investments	**10,000**	(2,000)	(7,000)
Net cash outflow from investing activities	**(20,319)**	(20,883)	(52,861)
Cash flows from financing activities			
Sale of own shares	**3,648**	4,354	5,257
Purchase of own shares	**(4,078)**	(5,137)	(7,873)
Dividends paid	**(16,090)**	(13,656)	(19,570)
Net cash outflow from financing activities	**(16,520)**	(14,439)	(22,186)
Net (decrease) / increase in cash and cash equivalents	**(2,254)**	(4,792)	22,043
Cash and cash equivalents at the start of the period	**43,615**	21,572	21,572
Cash and cash equivalents at the end of the period	**41,361**	16,780	43,615

Greggs plc
Consolidated statement of cash flows (continued)
For the 26 weeks ended 4 July 2015

Cash flow statement – cash generated from operations

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	£'000	£'000	£'000
Profit for the period	**20,080**	6,191	37,556
Amortisation	**208**	-	100
Depreciation	**19,265**	18,221	37,463
Impairment	**(112)**	55	414
Loss on sale of property, plant and equipment	**2,054**	482	3,576
Release of government grants	**(234)**	(233)	(473)
Share based payment expenses	**1,218**	267	529
Finance expense / (income)	**6**	(77)	(175)
Income tax expense	**5,501**	2,473	12,187
(Increase) / decrease in inventories	**(743)**	71	115
Increase in debtors	**(352)**	(415)	(1,079)
(Decrease) / increase in creditors	**(4,858)**	6,700	17,089
(Decrease) / increase in provisions	**(65)**	1,398	1,250
Cash generated from operating activities	**41,968**	35,133	108,552

Notes

1. Basis of preparation and accounting policies

The condensed accounts have been prepared for the 26 weeks ended 4 July 2015. Comparative figures are presented for the 26 weeks ended 28 June 2014. These condensed accounts have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. They do not include all the information required for full annual accounts, and should be read in conjunction with the Group accounts for the 53 weeks ended 3 January 2015.

These condensed accounts are unaudited and were approved by the Board of Directors on 29 July 2015.

The comparative figures for the 53 weeks ended 3 January 2015 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Group continues to have strong operational cashflows and the Directors are of the view that the Group has sufficient funds available to meet its foreseeable working capital requirements. The Directors have concluded therefore that the going concern basis remains appropriate.

The accounting policies applied by the Group in these condensed accounts are the same as those applied by the Group in its consolidated accounts for the 53 weeks ended 3 January 2015 other than those disclosed in note 2.

2. Changes in accounting policies

From 4 January 2015 the following standards, amendments and interpretations were adopted by the Group:

- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- Annual Improvements to IFRSs – 2010-2012 Cycle
- Annual Improvements to IFRSs – 2011-2013 Cycle

The adoption of the above has not had a significant impact on the Group's profit for the period or equity.

During the current period the Group has continued to expand its franchise operations. Certain of these arrangements include up-front payments from franchisees receivable in respect of the capital fit-out of the franchise operators' shops. Due to these up-front payments becoming material in the period, the Directors have reconsidered the application of IAS 18 to these specific transactions. They have now determined that the Group is acting as a principal in these transactions whilst previously these had been presented as if they were acting as agents. The prior period figures have been restated for this change in presentation. For the 26 weeks ended 28 June 2014 both turnover and cost of sales have increased by £1,563,000 and for the 53 weeks ended 3 January 2015 by £2,135,000. There is no impact on profit, balance sheet of cash flows for this change in presentation.

3. Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 26 weeks of the financial year remain substantially the same as those stated on pages 24 to 26 of our Annual Report and Accounts for the 53 weeks ended 3 January 2015, which are available on our website www.greggs.co.uk

4. Operating segment

The Board has considered the requirements of IFRS 8: *Operating Segments*, and concluded that, as there is still only one reportable segment whose revenue, profits, assets and liabilities are measured and reported on a consistent basis with the Group accounts, no additional numerical disclosures are necessary.

5. Exceptional items

		26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
		£'000	£'000	£'000
Cost of sales				
Closure of in-store bakeries	- redundancy and disruption costs	**-**	3,210	3,190
	- loss on disposal of assets	**-**	664	664
	- dilapidations	**-**	2,078	2,078
			5,952	5,932
Distribution and selling				
Shop asset impairment		**-**	-	(149)
Onerous leases		**-**	-	431
		-	-	282
Administrative expenses				
Restructuring of support functions		**-**	2,302	2,302
Total exceptional items		**-**	8,254	8,516

Closure of in-store bakeries

The charge arose from the decision to consolidate the Company's in-store bakeries into its regional bakery network and comprise of redundancy costs, disruption costs arising on the transfer of production from stores to regional bakeries, asset write-offs and the costs of making good the shops (dilapidations) as bakery equipment is removed.

Shop impairment and onerous leases

The charges arose from the decision to focus on reshaping the Group's existing estate through closure and resite of shops and withdrawal from the Greggs moment brand.

Restructuring of support functions

The charge related to the redundancy costs incurred in respect of restructuring within the support functions.

6. Defined benefit pension scheme

The valuation of the defined benefit pension scheme for the purposes of IAS 19 (Revised) as at 3 January 2015 has been updated as at 4 July 2015 and the movements have been reflected in these condensed accounts.

7. Taxation

The taxation charge for the 26 weeks ended 4 July 2015 and 28 June 2014 is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period.

8. Earnings per share

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014			53 weeks ended 3 January 2015		
	Total	Excluding exceptional items	Exceptional items (see note 5)	Total	Excluding exceptional items	Exceptional items (see note 5)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Profit for the period attributable to equity holders of the parent	**20,080**	12,689	(6,498)	6,191	44,262	(6,706)	37,556
Basic earnings per share	**20.0p**	12.6p	(6.4p)	6.2p	44.0p	(6.6p)	37.4p
Diluted earnings per share	**19.5p**	12.5p	(6.4p)	6.1p	43.4p	(6.6p)	36.8p

Weighted average number of ordinary shares

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	Number	Number	Number
Issued ordinary shares at start of period	**101,155,901**	101,155,901	101,155,901
Effect of own shares held	**(622,625)**	(700,263)	(638,815)
Weighted average number of ordinary shares during the period	**100,533,276**	100,455,638	100,517,086
Effect of share options on issue	**2,681,435**	1,163,700	1,517,722
Weighted average number of ordinary shares (diluted) during the period	**103,214,711**	101,619,338	102,034,808
Issued ordinary shares at end of period	**101,155,901**	101,155,901	101,155,901

9. Dividends

The following tables analyse dividends when payable and the year to which they relate:

Dividend declared	**26 weeks ended 4 July 2015**	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	Pence per share	Pence per share	Pence per share
2013 final dividend	**-**	13.5p	13.5p
2014 interim dividend	**-**	-	6.0p
2014 final dividend	**16.0p**	-	-
2015 special dividend	**20.0p**	-	-
	36.0p	13.5p	19.5p

	26 weeks ended 4 July 2015	26 weeks ended 28 June 2014	53 weeks ended 3 January 2015
	£'000	£'000	£'000
Total dividend recognised in period			
2013 final dividend	**-**	13,555	13,530
2014 interim dividend	**-**	-	6,040
2014 final dividend	**16,090**	-	-
2015 special dividend	**20,161**	-	-
	36,251	13,555	19,570
Dividend proposed at period end and not included as a liability in the accounts			
2014 interim dividend (6.0p per share)	**-**	6,034	-
2014 final dividend (16.0 p per share)	**-**	-	16,056
2015 interim dividend (7.4p per share)	**7,462**	-	-
	7,462	6,034	16,056

The 2015 special dividend was announced on 29 April 2015 and shares in Greggs plc traded ex-dividend from 18 June 2015. The dividend was paid on 17 July 2015. The liability of £20,161,000 in respect of this dividend is recorded in the balance sheet at 4 July 2015 as it could not realistically have been cancelled after the ex-dividend date.

The proposed interim dividend is not payable until 2 October 2015 and the associated ex-dividend date is 3 September 2015. As both of these dates fall after the balance sheet date, the interim dividend has not been included as a liability in the accounts at 4 July 2015.

10. Related party transactions

There have been no related party transactions in the first 26 weeks of the current financial year which have materially affected the financial position or performance of the Group.

Related parties are consistent with those disclosed in the Group's Annual Report and Accounts for the 53 weeks ended 3 January 2015.

11. Half year report

The condensed accounts were approved by the Board of Directors on 29 July 2015. They will be available on the Company's website, www.greggs.co.uk.

12. Statement of Directors' responsibilities

The Directors named below confirm on behalf of the Board of Directors that to the best of their knowledge:

- the condensed set of accounts has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the interim management report includes a fair review of the information required by:

(a) DTR4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed set of accounts; and a description of the principal risks and uncertainties for the remaining 26 weeks of the year; and

(b) DTR4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the financial year and that have materially affected the financial position or performance of the Group during the period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Greggs plc are listed in the Annual Report and Accounts for the 53 weeks ended 3 January 2015. There have been no changes since the approval of the Annual Report and Accounts:

For and on behalf of the Board of Directors

Roger Whiteside Richard Hutton