GREGGS plc

11 August 2009

GREGGS plc
INTERIM RESULTS FOR THE 26 WEEKS ENDED 27 JUNE 2009

Greggs is the leading bakery retailer in the UK, with some 1,400 retail outlets throughout the country.

- Sales up 4.4% to £312m (2008*: £299m); like-for-like sales up 1.5%
- Operating profit up 8.9% to £16.3m (2008*: £15.0m)
- Pre-tax profit up 7.3% to £16.5m (2008*: £15.4m)
- Diluted earnings per share up 8.6% to 11.29p (2008*: 10.40p)
- Net cash of £14.9m at end of first half (2008*: net debt £3.6m)
- Interim dividend increased 6.1% to record 5.2p, building on 24 consecutive years of dividend growth

* 2008 figures are for the 26 weeks to 28 June 2008, rather than the 24 weeks to 14 June 2008 originally reported, and exclude a £1.0m one-off property gain and £7.0m exceptional pension credit.

"Greggs serves over six million customers per week and, through our continued focus on quality and value for money, we have achieved a robust performance in a challenging market place. We anticipated the pressures that we would face as a result of tough trading conditions and continuing high input cost inflation, and took action to control our costs accordingly. The business has also begun to benefit from the initiatives we are taking to simplify and centralise our operations, in preparation for accelerated expansion.

"The high street trading environment remains difficult, not helped by the recent wet weather. However, costs continue to be well-managed and the Group's financial position remains strong. This gives the Board confidence that Greggs is well placed to cope with the continuing challenges in the market place."

\- ***Derek Netherton, Chairman***

ENQUIRIES:

Greggs plc
Ken McMeikan, Chief Executive
Richard Hutton, Finance Director
Tel: 020 7796 4133 on Tuesday 11 August only
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Michael Sandler / Hugo Jenkins
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High resolution images are available for the media to view and download from www.vismedia.co.uk

CHAIRMAN'S STATEMENT

Greggs serves over six million customers per week and, through our continued focus on quality and value for money, we have achieved a very robust performance in a challenging market place. We anticipated the pressures that we would face as a result of tough trading conditions and continuing high input cost inflation, and took action to control our costs accordingly. The business has also begun to benefit from the initiatives we are taking to simplify and centralise our operations, in preparation for accelerated expansion.

Results

We have adjusted our half year date to bring us into line with market practice and are reporting results for the 26 weeks to 27 June 2009. In order to provide more meaningful comparative figures for the first half last year, this interim report includes results for the 26 weeks to 28 June 2008 as well as those for the 24 week period to 14 June 2008 on which we originally reported. The 2008 comparatives cited in the text are for 26 weeks.

Group sales for the first half increased by 4.4 per cent to £312 million (2008: £299 million), including like-for-like sales growth of 1.5 per cent. Tougher comparatives in the final seven weeks of the half slowed the overall rate of like-for-like growth from the 2.0 per cent reported for the first 19 weeks in our Interim Management Statement of 13 May.

Operating profit increased by 8.9 per cent to £16.3 million (2008: £15.0 million, excluding property and exceptional gains). The Group's operating margin was 5.2 per cent (2008: 5.0 per cent, excluding property and exceptional gains).

Net finance income was reduced to £192,000 (2008: £402,000) as a result of lower interest rates, despite an improvement in our net cash position to £14.9 million at the end of the half year (2008: £3.6 million net debt).

Profit before taxation increased by 7.3 per cent to £16.5 million (2008: £15.4 million, excluding property and exceptional gains). There were no property or other exceptional gains in the current year, while in 2008 we recorded a net property profit of £1.0 million and a further £7.0 million exceptional credit relating to the closure to further accrual of our final salary pension scheme. Including these items, profit before taxation in the comparable period last year was £23.4 million.

Diluted earnings per share were 11.29 pence (2008: 10.40 pence, excluding property and exceptional gains). Including the non-recurring items, diluted earnings per share in 2008 were 15.81 pence. The prior year figures have been restated not only to reflect the change from a 24-week to a 26-week first half, but also the ten-for-one share split which took effect on 18 May 2009, following shareholder approval at the Annual General

Meeting.

Dividend

The Board has declared an increased interim dividend of 5.2 pence per share (2008: 4.9 pence), a rise of 6.1 per cent, in line with our progressive dividend policy. The interim dividend will be paid on 2 October 2009 to those shareholders on the register at the close of business on 4 September 2009.

Prospects

We continue to believe that the great quality and exceptional value offered by Greggs will enable us to operate successfully in what remains a very difficult economic climate, and this assessment is supported by the Group's robust performance in the first half.

The high street trading environment remains difficult, not helped by the recent wet weather. Total sales in the first six weeks of the second half to 8 August 2009 increased by 2.5 per cent, while like-for-like sales were flat. Costs continue to be well-managed, we are making good progress with our plans to simplify and centralise the business, and the Group's financial position remains strong. This gives the Board confidence that Greggs is well placed to cope with the continuing challenges in the market place.

Derek Netherton
Chairman
11 August 2009

CHIEF EXECUTIVE'S REPORT

Greggs has achieved its leading market position by consistently offering both great quality and great value to more than one million customers each day. In the current climate the quality, value and freshness of our products continue to stand out as our key points of difference as the country's foremost provider of bakery food-on-the-go. We are making good progress with our plans to make the business simpler and more efficient, in readiness for accelerated expansion.

Trading performance

The positive results for the first half reflect our decision to budget for only marginally positive like-for-like sales growth in 2009 because of the challenging economic environment. Consumer spending is naturally constrained by uncertainty about job security as we see record increases in unemployment and many more workers experiencing pay freezes and cuts. There is ample evidence of reduced footfall affecting all high street retailers. Our successful response to these challenges has been to maintain our emphasis on the unbeatable quality of our products, and the great value that we continue to offer.

We anticipated that the pressure of rising world commodity prices that was such a feature of 2008 would persist into the current year, driving up the cost of many key ingredients. This inflationary pressure has continued as expected, albeit at a reducing rate and with some relief afforded by an improvement in energy costs.

We have begun to see some benefit from the initiatives we have taken to simplify and centralise the business, for example in the harmonisation of our product range. Our new bakery in Manchester was commissioned early in the year, delivering improved efficiencies and increased capacity for our business in the North West.

The elimination of losses from our Belgian shops has made a small contribution in the period, and will deliver further benefit in the second half of the year.

Our shops

We opened 14 new shops during the first half and closed 31, including the sale of our 10 shops in Belgium. As a result, we ended the half year with a total of 1,392 shops compared with 1,382 at the half year in 2008 and 1,409 at the end of 2008. This is in line with our plans, and we remain on track to add circa 10 net new shops over the year as a whole, with some 40 new shops planned to open during the second half and 10 – 15 closures. Our property team continue to take a very firm line to secure the best possible deals on new sites in the current climate, and we are seeing greater realism from landlords on rentals for new shops as the year progresses.

The rebranding of Bakers Oven shops to Greggs is proceeding to plan, with 40 per cent of the 164 Bakers Oven shops now converted and the programme continuing at a rate of two shops each week. We are pleased with the performance of these shops, which has been slightly better than we budgeted.

We have also been experimenting with new concept shops, the first of which is trading well in the South East, and we plan to open a further two by the end of the year. The look of these shops is intended to communicate the strength of our bakery heritage, while their layouts have been designed to encourage browsing and increase customer purchases. The results from these shops will be evaluated and successful elements rolled out progressively across the estate.

Our products

We are well on track to achieve the planned harmonisation of 80 per cent of all our products by the end of 2009, with the remaining 20 per cent of our range comprising specialist regional and local favourites.

In sandwiches, we have harmonised and relaunched all our baguettes, bloomers and traditional wedge pack sandwiches. We have also been able to meet customer demand for a wider range of sandwiches without mayonnaise, with up to a quarter of our range now “mayo free”.

In savouries, we responded to our customers’ wishes and added interest to our range during the first half through the launch of a series of new products including a chicken and bacon pasty and chicken fajita pasty. We also upgraded a number of our famous core products at no cost to our customers. This included the relaunch of favourites such as our cheese and onion pasty, with a new three cheese recipe, and an enhanced chicken bake. In total we have sold over 25 million units of the new and improved savoury products since the beginning of the year.

Across the whole Greggs product range, we have trebled the percentage of our sales derived from new product launches during the first half, compared with the first half of 2008.

We continue to take the lead in the bakery industry in meeting consumer demand for great tasting, great value, fresh food and providing the information that our customers need to make informed choices about what they eat. As we committed to doing in the Annual Report, I am pleased to confirm that we have now removed all hydrogenated oils and fats from the products we make ourselves, and are on track to achieve the promised removal of all artificial colourings from our products by the end of the year. The good progress we are making in harmonising our product range will also allow us to fulfil our commitment to provide nutritional information for all our sandwiches, savouries and drinks by the end of 2009.

Capital investment

Capital expenditure during the first half was £10.3 million (2008: £16.9 million). This was below the level we had originally budgeted as we deferred some expenditure, particularly on our bakeries pending completion of our review of the supply chain. We now anticipate that capital expenditure over the year as a whole will not exceed £30 million, some £4 million below our original estimate, but will increase in 2010 as we begin to accelerate shop openings.

People

We have over 19,000 employees who have continued to provide great service to our customers in a difficult period for every UK retailer, while adjusting to considerable changes in the way we run our business. Our resilient performance under these testing conditions is a testimony to their commitment, hard work and passion to make Greggs “the best in bakery” for our customers.

Looking ahead

We are making good progress in developing Greggs as a single national brand that offers an exceptional combination of quality and value. I am confident that we are well placed to achieve our targets for the business and to make Greggs accessible to even more customers through accelerated expansion of our shop portfolio across the whole of the UK from 2010.

Kennedy McMeikan
Chief Executive
11 August 2009

Greggs plc
Condensed consolidated income statement
For the 26 weeks ended 27 June 2009

	26 weeks ended 27 June 2009	26 weeks ended 28 June 2008	24 weeks ended 14 June 2008	52 weeks ended 27 December 2008
	£'000	£'000	£'000	£'000
Revenue	**312,360**	299,151	275,659	628,198
Cost of sales	**(121,556)**	(116,455)	(107,004)	(240,200)
Gross profit	**190,804**	182,696	168,655	387,998
Distribution and selling costs	**(155,034)**	(147,648)	(136,366)	(306,573)
Administrative expenses	**(19,435)**	(20,044)	(18,513)	(40,845)
Other income	**-**	8,011	8,011	8,033
Operating profit	**16,335**	23,015	21,787	48,613
Analysed as:				
Operating profit before property and exceptional gains	**16,335**	15,004	13,776	44,295
Other income:				
Profit on disposal of properties	**-**	1,042	1,042	1,064
Curtailment of defined benefit pension scheme	**-**	6,969	6,969	6,969
Restructuring costs	**-**	-	-	(3,715)
	16,335	23,015	21,787	48,613
Finance income	**192**	402	373	857
Profit before tax	**16,527**	23,417	22,160	49,470
Income tax	**(5,123)**	(7,260)	(6,870)	(15,375)
Profit for the period attributable to equity holders of the parent	**11,404**	16,157	15,290	34,095
Basic earnings per share *	**11.32p**	15.87p	15.01p	33.67p
Diluted earnings per share *	**11.29p**	15.81p	14.95p	33.54p

Non-GAAP measure:				
Adjusted profit before tax ~ (£'000)	**16,527**	15,406	14,149	45,152
Adjusted profit for the period attributable to equity holders of the parent (£'000) +	**11,404**	10,630	9,763	31,119
Adjusted basic earnings per share+	**11.32p**	10.44p	9.58p	30.73p
Adjusted diluted earnings per share+	**11.29p**	10.40p	9.55p	30.61p

* Prior periods adjusted to take account of the ten for one share split during the current period (see note 6).

~ For 2008, calculated as profit before tax less profit on disposal of properties, the exceptional gain on the curtailment of the defined benefit pension scheme and restructuring costs.

\+ Adjusted to take account of profit on disposal of properties, the exceptional gain on curtailment of the defined benefit pension scheme and restructuring costs, net of tax (see note 6).

Greggs plc
Condensed consolidated statement of comprehensive income
For the 26 weeks ended 27 June 2009

	26 weeks ended 27 June 2009	26 weeks ended 28 June 2008	24 weeks ended 14 June 2008	52 weeks ended 27 December 2008
	£'000	£'000	£'000	£'000
Profit for the period	**11,404**	16,157	15,290	34,095
Other comprehensive income				
Actuarial loss on defined benefit pension scheme	**(5,796)**	(6,435)	(6,435)	(12,614)
Income tax on defined benefit pension scheme actuarial loss	**1,623**	1,802	1,802	3,532
Other comprehensive income for the period, net of income tax	**(4,173)**	(4,633)	(4,633)	(9,082)
Total comprehensive income for the period	**7,231**	11,524	10,657	25,013

Greggs plc
Condensed consolidated balance sheet
as at 27 June 2009

	27 June 2009	28 June 2008	14 June 2008	27 December 2008
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	**759**	-	-	686
Property, plant and equipment	**206,988**	199,875	197,946	210,455
	207,747	199,875	197,946	211,141
Current assets				
Inventories	**11,818**	11,052	11,137	12,152
Trade and other receivables	**26,017**	25,726	22,886	22,698
Cash and cash equivalents	**14,885**	-	8,121	4,433
	52,720	36,778	42,144	39,283
Total assets	**260,467**	236,653	240,090	250,424
LIABILITIES				
Current liabilities				
Trade and other payables	**(73,226)**	(70,946)	(77,299)	(60,386)
Bank loans and overdrafts	**-**	(3,573)	(380)	(2,375)
Current tax liabilities	**(6,751)**	(7,001)	(6,611)	(8,337)
Provisions	**(1,462)**	-	-	(2,843)
	(81,439)	(81,520)	(84,290)	(73,941)
Non-current liabilities				
Defined benefit pension liability	**(11,718)**	(4)	(4)	(5,733)
Other payables	**(8,313)**	(426)	(426)	(8,221)
Deferred tax liability	**(10,530)**	(15,006)	(15,006)	(12,154)
Long term provisions	**(2,646)**	-	-	(2,428)
	(33,207)	(15,436)	(15,436)	(28,536)
Total liabilities	**(114,646)**	(96,956)	(99,726)	(102,477)
Net assets	**145,821**	139,697	140,364	147,947
EQUITY				
Capital and reserves				
Issued capital	**2,080**	2,087	2,096	2,080
Share premium account	**13,533**	13,533	13,533	13,533
Capital redemption reserve	**359**	352	343	359
Retained earnings	**129,849**	123,725	124,392	131,975
Total equity attributable to equity holders of the parent	**145,821**	139,697	140,364	147,947

Greggs plc
Condensed consolidated statement of changes in equity
For the 26 weeks ended 27 June 2009

24 weeks ended 14 June 2008

	Issued capital	Share premium	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 30 December 2007	2,127	13,533	312	129,622	145,594
Total recognised income and expense	-	-	-	10,657	10,657
Shares purchased and cancelled	(31)	-	31	(6,753)	(6,753)
Sale of own shares	-	-	-	353	353
Share based payments	-	-	-	397	397
Equity dividends	-	-	-	(9,562)	(9,562)
Tax items taken directly to reserves	-	-	-	(322)	(322)
At 14 June 2008	2,096	13,533	343	124,392	140,364

26 weeks ended 28 June 2008

	Issued capital	Share premium	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 30 December 2007	2,127	13,533	312	129,622	145,594
Total recognised income and expense	-	-	-	11,524	11,524
Shares purchased and cancelled	(40)	-	40	(8,320)	(8,320)
Sale of own shares	-	-	-	353	353
Share based payments	-	-	-	430	430
Equity dividends	-	-	-	(9,562)	(9,562)
Tax items taken directly to reserves	-	-	-	(322)	(322)
At 28 June 2008	2,087	13,533	352	123,725	139,697

52 weeks ended 27 December 2008

	Issued capital	Share premium	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 30 December 2007	2,127	13,533	312	129,622	145,594
Total recognised income and expense	-	-	-	25,013	25,013
Shares purchased and cancelled	(47)	-	47	(9,738)	(9,738)
Sale of own shares	-	-	-	698	698
Share-based payments	-	-	-	1,047	1,047
Equity dividends	-	-	-	(14,535)	(14,535)
Tax items taken directly to reserves	-	-	-	(132)	(132)
At 27 December 2008	2,080	13,533	359	131,975	147,947

26 weeks ended 27 June 2009

	Issued capital	Share premium	Capital redemption reserve	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	**£'000**
At 28 December 2008	2,080	13,533	359	131,975	**147,947**
Total recognised income and expense	-	-	-	7,231	**7,231**
Sale of own shares	-	-	-	200	**200**
Share based payments	-	-	-	540	**540**
Equity dividends	-	-	-	(10,097)	**(10,097)**
At 27 June 2009	**2,080**	**13,533**	**359**	**129,849**	**145,821**

Greggs plc
Condensed consolidated statement of cash flows
For the 26 weeks ended 27 June 2009

	26 weeks ended 27 June 2009 £'000	26 weeks ended 28 June 2008 £'000	24 weeks ended 14 June 2008 £'000	52 weeks ended 27 December 2008 £'000
Operating activities				
Cash generated from operating activities (see below)	**39,037**	23,982	31,056	59,163
Income tax paid	**(6,710)**	(7,100)	(7,100)	(14,807)
Net cash inflow from operating activities	**32,327**	16,882	23,956	44,356
Cash flows from investing activities				
Acquisition of property, plant and equipment	**(10,344)**	(16,929)	(14,229)	(40,758)
Acquisition of intangible assets	**(73)**	-	-	(686)
Proceeds from sale of property, plant and equipment	**422**	2,020	2,020	2,200
Interest received	**192**	402	373	857
Net cash outflow from investing activities	**(9,803)**	(14,507)	(11,836)	(38,387)
Cash flows from financing activities				
Sale of own shares	**200**	353	353	698
Shares purchased and cancelled	**-**	(8,320)	(6,751)	(9,738)
Dividends paid	**(10,097)**	(9,562)	(9,562)	(14,535)
Government grants received	**200**	-	-	8,083
Net cash outflow from financing activities	**(9,697)**	(17,529)	(15,960)	(15,492)
Net increase / (decrease) in cash and cash equivalents	**12,827**	(15,154)	(3,840)	(9,523)
Cash and cash equivalents at the start of the period	**2,058**	11,581	11,581	11,581
Cash and cash equivalents at the end of the period	**14,885**	(3,573)	7,741	2,058

Cash flow statement – cash generated from operations

	26 weeks ended 27 June 2009 £'000	26 weeks ended 28 June 2008 £'000	24 weeks ended 14 June 2008 £'000	52 weeks ended 27 December 2008 £'000
Profit for the period	**11,404**	16,157	15,290	34,095
Depreciation	**13,238**	12,389	11,618	26,010
Loss / (profit) on sale of property, plant and equipment	**151**	(972)	(972)	(771)
Release of government grants	**(108)**	-	-	(84)
Curtailment of defined benefit pension scheme	**-**	(6,969)	(6,969)	(6,969)
Share based payment expenses	**540**	430	397	1,047
Finance income	**(192)**	(402)	(373)	(857)
Unrealised exchange gain relating to property plant and equipment	**-**	-	-	(353)
Income tax expense	**5,123**	7,260	6,870	15,375
Decrease / (increase) in inventories	**334**	(1,144)	(1,229)	(2,244)
Increase in debtors	**(3,319)**	(5,792)	(2,952)	(2,764)
Increase / (decrease) in creditors	**12,840**	3,168	9,519	(8,001)
Movement in pension liability	**189**	(143)	(143)	(592)
(Decrease) / increase in provisions	**(1,163)**	-	-	5,271
Cash generated from operating activities	**39,037**	23,982	31,056	59,163

Notes

1. Basis of preparation and accounting policies

The condensed financial statements have been prepared for the 26 weeks ended 27 June 2009. Comparative figures are presented for the 26 weeks ended 28 June 2008 as well as for the 24 weeks ended 14 June 2008 as published last year. These condensed financial statements 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 financial statements, and should be read in conjunction with the Group financial statements for the 52 weeks ended 27 December 2008.

These condensed financial statements are unaudited and were approved by the Board of Directors on 11 August 2009.

The information for the 52 weeks ended 27 December 2008 does not constitute statutory financial statements as defined by section 240 of the Companies Act 1985. Those financial statements have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The accounting policies applied by the Group in these condensed financial statements are the same as those applied by the Group in its consolidated financial statements for the 52 weeks ended 27 December 2008 other than those disclosed in note 2.

2. Changes in accounting policies

From 1 January 2009 the following standards, amendments and interpretations became effective and were adopted by the Group:

- IFRS 8: *Operating Segments*;
- IFRIC 14: *IAS 19—The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction;*
- Amendments to IAS 23: *Borrowing costs;*
- Amendments to IFRS 2: *Share based payment;*
- Amendments to IAS 1: *Presentation of financial statements.*

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

3. Operating segment

The Board has reviewed the requirements of IFRS 8 Operating Segments, including consideration of what results it reviews regularly to assess performance and make decisions about how resources are allocated. The Board has concluded that, as under IAS 14, the Group has one operating and reporting segment.

4. Defined benefit pension scheme

The valuation of the defined benefit pension scheme for the purposes of IAS19 as at 27 December 2008 has been updated as at 27 June 2009 and the movements have been reflected in this interim statement.

5. Taxation

The taxation charge for the 26 weeks ended 27 June 2009 and 28 June 2008 and the 24 weeks ended 14 June 2008 is calculated by applying the directors' best estimate of the annual effective tax rate to the profit for the period.

6. Earnings per share

	26 weeks ended 27 June 2009	26 weeks ended 28 June 2008	24 weeks ended 14 June 2008	52 weeks ended 27 December 2008
	£'000	£'000	£'000	£'000
Profit for the period attributable to equity holders of the parent	**11,404**	16,157	15,290	34,095
Other income (net of tax):				
Profit on disposal of properties	**-**	(719)	(719)	(734)
Curtailment of defined benefit pension scheme	**-**	(4,808)	(4,808)	(4,808)
Restructuring costs	**-**	-	-	2,566
Adjusted profit for the period attributable to equity holders of the parent	**11,404**	10,630	9,763	31,119

The adjusted earnings per share figures have been calculated excluding the effect of the exceptional items. These have been calculated by dividing adjusted profit for the period attributable to equity holders of the parent by the relevant weighted average number of shares.

6. Earnings per share (continued)

On 15 May 2009 the Company's shares were split whereby each existing share was dividend into ten new shares. In accordance with IAS 33 the number of ordinary shares outstanding used in the calculation of earnings per share before the share split has been adjusted as if the split had occurred at the beginning of the earliest period presented.

The number of ordinary shares in issue at 27 June 2009 was 103,990,470 (adjusted number of ordinary shares in issue at 28 June 2008: 104,381,120, 14 June 2008: 104,790,470 and 27 December 2008: 103,990,470). The weighted average number of ordinary shares outstanding during the period was 100,758,294 (adjusted weighted average number of shares for the 26 weeks ended 28 June 2008: 101,808,047, 24 weeks ended 14 June 2008: 101,858,644 and 52 weeks ended 27 December 2008: 101,253,025). The diluted weighted average number of ordinary shares outstanding during the period was 101,040,749 (adjusted diluted weighted average number of shares for the 26 weeks ended 28 June 2008: 102,221,954, 24 weeks ended 14 June 2008: 102,268,800 and 52 weeks ended 27 December 2008: 101,664,590)

7. Dividends

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

Dividend declared	26 weeks ended 27 June 2009	24 weeks ended 14 June 2008	52 weeks ended 27 December 2008
	Pence per share	Pence per share	Pence per share
2007 final dividend *	-	94.0p	94.0p
2008 interim dividend *	-	-	49.0p
2008 final dividend *	100.0p	-	-
	100.0p	94.0p	143.0p

	26 weeks ended 27 June 2009	24 weeks ended 14 June 2008	52 weeks ended 27 December 2008
	£'000	£'000	£'000
Total dividend payable			
2007 final dividend	-	9,562	9,565
2008 interim dividend	-	-	4,970
2008 final dividend	10,097	-	-
Total dividend paid in period	10,097	9,562	14,535
Dividend proposed at period end and not included as a liability in the accounts			
2008 interim dividend (49.0p per share *)	-	4,970	-
2008 final dividend (100.0 p per share *)	-	-	10,073
2009 interim dividend (5.2p per share)	5,241	-	-
	5,241	4,970	10,073

* pre share split

8. 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 52 weeks ended 27 December 2008.

9. Half year report

The condensed financial statements were approved by the Board of Directors on 11 August 2009 and are available on the Company's website, **www.greggs.co.uk**. Copies are being posted to those shareholders who have requested one and further copies are available on application to the Company Secretary, Greggs plc, Fernwood House, Clayton Road, Jesmond, Newcastle upon Tyne, NE2 1TL.

10. Principal risks and uncertainties

The Directors consider that, except as detailed below, the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 27 weeks of the financial year remain the same as those stated on pages 32 and 33 of our Annual Report and Accounts for the 52 weeks ended 27 December 2008, which are available on our website **www.greggs.co.uk**. The major additional risk that has arisen since the Report was published is the possible onset of a flu pandemic in the UK, which could affect employees and customers alike. We have developed contingency plans to maintain our supply chain under such conditions. However, like all other retailers we may find our trade affected if illness results in significant numbers of our customers being unable to visit our shops.

11. 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 financial statements has been prepared in accordance with IAS34 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 financial statements; and a description of the principal risks and uncertainties for the remaining 27 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 52 weeks ended 27 December 2008. The following changes have occurred since the Annual Report and Accounts was published:

- Iain Ferguson was appointed on 31 March 2009;
- Sir Michael Darrington retired on 13 May 2009.

For and on behalf of the Board of Directors

Kennedy McMeikan
Chief Executive
11 August 2009

Richard Hutton
Finance Director