

6 October 2010

GREGGS plc
INTERIM MANAGEMENT STATEMENT

*Greggs is the leading bakery retailer in the UK,
with over 1,450 retail outlets throughout the country,
serving freshly baked products to six million customers each week*

RESILIENT PERFORMANCE IN TOUGH MARKET

Greggs continues to make good progress and has delivered sales growth in the current financial year to date, despite an increasingly challenging trading environment. Total sales for the 39 weeks ended 2 October 2010 increased by 2.6 per cent, including like-for-like growth of 0.5 per cent. In the third quarter (13 weeks to 2 October 2010) total sales grew by 2.1 per cent, including a like-for-like sales increase of 0.2 per cent.

Breakfast sales have been particularly strong, with the bacon roll now our best-selling sandwich line. We are now extending our breakfast range with the roll-out of croissants, pain au chocolat and porridge.

Our retail expansion programme remains firmly on track, with a net 32 new shops opened in the year to date, giving us a total of 1,451 shops at 2 October 2010. We now expect our total net new shops for the year as a whole to be at the upper end of our previously indicated range of 50 – 60.

In addition, we have also completed 84 shop refurbishments, including 17 of the concept shops we trialled in 2009. We are well on course to meet our target of 120 refurbishments this year including 30 concept shops.

Construction of our replacement bakery in Newcastle upon Tyne is progressing well, and is scheduled to begin production in mid-2011. We have received planning permission for our new cake and confectionery bakery in Penrith and commence building later this month ready to open in summer 2011. We have also submitted a planning application for a new bakery in Wiltshire to enable us to unlock the significant growth opportunities we have identified in the South and South West.

We continue to self-finance our capital expenditure requirements. There has been no material change in the net cash position since the end of the first half, when we had £24.6 million on the balance sheet. In the second half to date we have purchased for cancellation a further 290,865 shares at an average price of £4.40 and a total cost of £1.3 million, making a total outlay on share buybacks in the current year to date of £5.8 million. This is in line with the plans we announced in March to return up to £15 million of surplus cash to our shareholders.

Despite the tough economic climate, our customers and staff have shown tremendous generosity, helping us to raise over £430,000 so far this year for the Pakistan Floods Appeal, Haiti Earthquake Appeal, Greggs Breakfast Clubs and the Greggs Foundation.

Chief Executive Ken McMeikan commented: "As we expected, the trading environment has been tough and is likely to remain so, with consumer spending continuing to be constrained and inflationary pressures building for next year. We anticipate that like-for-like sales in the final quarter will be broadly flat and therefore marginally positive over the year as a whole. We continue to keep a very tight focus on costs and our financial position remains strong. Overall business performance in the year continues to be in line with our expectations and we believe that Greggs remains on track to deliver another year of progress in 2010."

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