



The home of fresh baking®

6 October 2011

**GREGGS plc  
INTERIM MANAGEMENT STATEMENT**

*Greggs is the leading bakery retailer in the UK,  
with over 1,500 retail outlets throughout the country,  
serving freshly baked products to six million customers each week*

**RESILIENT PERFORMANCE**

- **Third quarter total sales up 5.4%, like-for-like sales up 0.8%**
- **Year to date total sales up 4.6%, like-for-like sales up 0.6%**
- **Net 53 new shops opened year to date; on track for record 80 net new openings**
- **Two new bakeries operational following £21m investment**

**Chief Executive Ken McMeikan comments:**

**Sales**

Total sales grew by 5.4 per cent in the third quarter of our financial year (13 weeks to 1 October 2011), including like-for-like growth of 0.8 per cent. This compares with like-for-like sales growth of 0.4 per cent during the first half. As a result, for the 39 weeks ended 1 October 2011, total sales have grown by 4.6 per cent and like-for-like sales by 0.6 per cent.

In a tough environment, we have increased our investment in promotional activity, offering a range of outstanding meal deals that help our customers to make their money go further. We continue to see good growth in breakfast sales including the roll out of Fairtrade coffee to all our shops. In addition, the launch of our new 'Superstar Doughnuts' has been extremely popular, with more than 1.4 million sold in the first five weeks.

**Shops**

During the first 39 weeks of the financial year we have opened 66 shops and closed 13, making a net increase of 53 and giving us a total of 1,540 shops at 1 October 2011.

New shops have been opened in a wide range of locations including the Westfield Stratford City development in London, where we broke all our previous records for a first day of trading. We have also opened our new coffee shop concept "Greggs Moment" in Newcastle upon Tyne, a one shop trial that we will evaluate over the coming months.

We also completed 48 shop refurbishments during the third quarter, bringing our total for the financial year to date to 138. We remain on track to achieve our target of opening around 80 net new shops during the year as a whole and completing 160 refurbishments.

## **Supply Chain**

Our new £4.5 million specialist confectionery bakery in Penrith is now fully operational, while our £16.5 million bakery in Newcastle upon Tyne has commenced production. Both these major developments have been completed on time and on budget, delivering significant improvements in efficiency and in our capacity for future growth. This represents a further important milestone in realising our long term supply chain strategy.

Following a successful three month trial in ten Iceland shops we have agreed to roll out the sale of frozen Greggs branded sausage rolls to more than 700 Iceland stores.

## **Outlook**

The trading environment remains challenging, with consumers' disposable incomes under pressure. We will continue to respond to this by offering our customers outstanding value through targeted promotional activity, supporting some of this investment through our continuing drive to improve business efficiencies. Looking further ahead to 2012 there are signs of an easing in the rate of commodity price inflation in some areas, with the notable exception of energy.

Our investment and expansion programmes are on track and the financial position of the business is strong. We remain confident in the prospects for the Group and our expectations for the year are unchanged. Further, we continue to believe that Greggs is well placed to deliver long term profitable growth for the benefit of shareholders, employees and the wider community.

### **ENQUIRIES:**

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