



Always Fresh. Always Tasty.™

30 April 2014

**GREGGS plc
INTERIM MANAGEMENT STATEMENT**

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

Good trading year to date

- Total sales in the 17 weeks to 26 April 2014 up 4.0%
- Own shop like-for-like sales in the first 17 weeks up 3.7% (2013: 4.4% decline)
- 66 refits completed
- 20 new shops opened, 28 closures
- Input cost inflation below expectations
- Property gains on disposal £1.4 million (2013 £0.2 million)

Trading performance

Trading so far this year has been good, continuing the trend seen in the final quarter of 2013. Our total sales for the 17 weeks to 26 April 2014 grew by 4.0 per cent. Like-for-like sales in our own shops grew by 3.7 per cent over the same period.

Our year-on-year performance is in part benefiting from comparison with a period of weak trading in 2013 when like-for-like sales for the first 17 weeks declined by 4.4 per cent, impacted by snow in January and March 2013. In line with our strategy sales growth is also being driven by improved availability of our freshly made sandwiches, longer trading hours and product upgrades such as our improved coffee blend, which is benefiting from inclusion within our popular promotional meal deals. Greggs Rewards, our new mobile loyalty scheme, has started well and continues to build momentum.

Cost control has been strong in the year to date and input cost inflation has been lower than we have experienced in recent years. As a result there has been some benefit to margin in the period. The business remains highly cash-generative and maintains a strong balance sheet position.

Shops

During the first 17 weeks we completed 66 shop refurbishments in our 'bakery food-on-the-go' format, in line with our plan to refit around 200 shops during 2014. These are performing well and the contemporary new look and feel, along with additional facilities such as seating, is being well received by both customers and staff.

We also opened 20 new shops, including 11 franchised units in transport locations.

We closed 28 shops, giving a total of 1,663 shops trading at 26 April. As a consequence of our accelerated closure programme we have disposed of a number of freehold properties in the year to date. This has realised property profits of £1.4million (2013 £0.2 million).

Organisational Change

We have completed the formal consultation period in respect of our proposals to close 79 in-store bakeries and improve our operational effectiveness in support areas. The agreed changes in support areas are complete and new structures are in place. The closure of in-store bakeries is on-going and we anticipate that the majority of these will be completed by the end of this year.

Outlook

Market conditions remain highly competitive but we are encouraged by the performance in the year to date. We have delivered continuing improvement in like-for-like sales, albeit against the weak comparatives of last year, and strong cost control. We have also benefited from property disposal profits and lower than expected input cost inflation. As a result, we expect to deliver a good first half outcome.

The second half is likely to be more challenging as we come up against relatively stronger sales comparables and likely cost inflation. Overall we expect to deliver satisfactory financial results for the year and good further strategic progress.

ENQUIRIES:

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