



*Always Fresh. Always Tasty.®*

15 September 2014

**GREGGS plc  
INTERIM MANAGEMENT STATEMENT  
FOR THE 11 WEEKS TO 13 SEPTEMBER 2014**

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

**Continued strong performance into the second half**

- Own shop like-for-like sales up 5.4% for the 11 weeks to 13 September (2013: 1.0% decline)
- Year to date own shop like-for-like sales up 3.9%
- Total sales growth 3.5% year to date (2013: 3.4%)
- 153 refits completed
- 32 new shops opened, 43 closures
- Further margin benefits from commodity deflation
- Excellent cost control
- Faster progress with structural efficiency initiatives

**Chief Executive Roger Whiteside comments:**

"This strong performance reflects a positive response from customers to new product initiatives, improved service, better value and our investment in shop refurbishments alongside more favourable trading conditions.

"Whilst we face tougher comparatives in the final quarter the combination of strong sales performance, lower costs and our outlook for the remainder of the year means that we now anticipate full year profits to be materially ahead of our previous expectation."

**Sales**

Like-for-like sales grew by 5.4 per cent in the 11 week period to 13 September 2014 (2013: 1.0 per cent decline) continuing the strong performance reported at the time of our interim results announcement and reflecting the benefit of the weaker comparative period last year. In the year to date like-for-like sales have now increased by 3.9 per cent. Total sales grew by 4.0 per cent year-on-year in the 11 weeks, including the impact of our accelerated closure programme for poor performing shops.

This strong performance reflects a positive response from customers to new product initiatives, improved service, better value and our investment in shop refurbishments alongside more favourable trading conditions than we had expected. In particular our new sandwich range with increased focus on our Balanced Choice options has been selling well. Upgrades to our coffee blend and to some of our core sweet lines have also driven increased sales.

### **Our shop estate**

In the year to date we have completed 153 shop refits and are encouraged by the results. We still expect to complete around 200 refits in the year as a whole.

We have opened 32 new shops in the year to date and closed 43 poor performing units. As at 13 September 2014 we had a total of 1660 shops, including 42 franchised operations. We expect shop numbers for the year as a whole to be very slightly down.

### **Summary and outlook**

Margins have continued to strengthen into the second half, reflecting on-going deflation in commodity costs, excellent operational cost control and delivery of structural cost savings ahead of plan. Looking forward, we expect the input cost environment to remain benign in the near term and we plan to continue making good operational progress.

Our sales-driving initiatives have been delivered in more favourable trading conditions than we had expected with no adverse weather impacts so far this year. We expect to continue rolling out new initiatives, in line with our strategy, in the months ahead

Whilst we face tougher comparatives in the final quarter the combination of strong sales performance, lower costs and our outlook for the remainder of the year means that we now anticipate full year profits to be materially ahead of our previous expectation.

### **ENQUIRIES:**

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