

FROZEN APPROACHES £2.3 BILLION IN FOODSERVICE

Data kindly supplied by Peter Backman of Horizons FS Ltd. shows that the total frozen food purchases in 2007 were worth £2.29 billion and had grown by 2.8% over 2004.

Whilst the number of outlets in foodservice had barely changed at just over 263,000, the number of meals served had grown by 1.7%.

As can be seen, the restaurant sector including both full service and quick service is by far the most important area for frozen food, with just under half of all frozen food sales being in this sector. It is encouraging therefore that it is growing at 4.1% compared to a struggling contract catering and institution sector which has declined by 1.3% whilst the pubs, hotel and leisure sector has grown by 3.7%.

If you would like to find more detail behind the top line numbers, please contact Peter Backman at Horizon FS Ltd.

Tel: 020 8349 0162 or through their website www.horizonsforsuccess.com

BFFF

November 2008



BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE COMPLETE SECTOR STATISTICS 2004 AND 2007 COMPARISON

Horizons

Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	RESTAURANTS			PUBS, HOTELS, LEISURE			CONTRACT CATERING & INSTITUTIONS			TOTAL		
	2004 £ millions	2007 £ millions	% Gain/Loss	2004 £ millions	2007 £ millions	% Gain/Loss	2004 £ millions	2007 £ millions	% Gain/Loss	2004 £ millions	2007 £ millions	% Gain/Loss
Frozen	1,078	1,122	4.1	684	709	3.7	465	459	-1.3	2,227	2,290	2.8
Chilled - Long Life	413	441	6.8	293	303	3.4	455	463	1.8	1,161	1,207	4.0
Chilled - Short Life	1,314	1,437	9.4	764	821	7.5	794	836	5.3	2,872	3,094	7.7
Ambient	983	1,041	5.9	1,539	1,604	4.2	849	850	0.1	3,371	3,495	3.7
Total	3,788	4,041	6.7	3,280	3,437	4.8	2,563	2,608	1.8	9,631	10,086	4.7

GENERAL INFORMATION

Information Categories	RESTAURANTS			PUBS, HOTELS, LEISURE			CONTRACT CATERING & INSTITUTIONS			TOTAL		
	2004	2007	% Gain/Loss	2004	2007	% Gain/Loss	2004	2007	% Gain/Loss	2004	2007	% Gain/Loss
No. of Outlets	55,703	57,382	3.0	117,652	116,399	-1.1	89,593	89,272	-0.4	262,948	263,053	0.1
No. of Meals Served - Millions	2,702	2,881	6.6	2,265	2,355	4.0	3,616	3,489	-3.5	8,583	8,725	1.7
Food and Drink Sales - £ millions	16,875	18,240	8.1	15,293	16,249	6.3	4,790	4,903	2.4	36,958	39,392	6.6

Horizons

Source: Horizons FS Ltd. For further information, contact Peter Backman, Horizons FS Ltd. Tel: 020 8349 0162
Website: www.horizonsforsuccess.com

FOODSERVICE SECTOR 2004 - 2007 COMPLETE SECTOR

The information which follows summarises information that was shown during 2008

Outlets

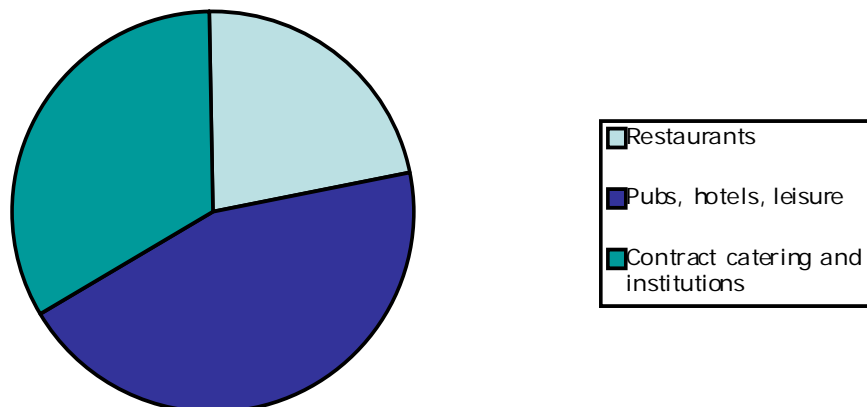
	2004	2007
Restaurants	55,703	57,382
Pubs, hotels, leisure	117,652	116,399
Contract catering and institutions	89,593	89,272
TOTAL	262,948	263,053

Source: Horizons

Note:

- "Restaurants" include full service and quick service/fast food restaurants
 - "Contract catering and institutions" covers B&I/workplace, health care, education, military, prisons etc
-
- The foodservice sector constantly renews itself but there is never a major change in numbers of outlets - with newly opened outlets often replacing closures
 - There was a net increase of only 100 outlets between 2004 and 2007
 - The combined numbers of pubs and hotels fell reflecting a long term decline in numbers of pubs and B&Bs.

Number of outlets: 2007



**FOODSERVICE SECTOR 2004 TO 2007
COMPLETE SECTOR**

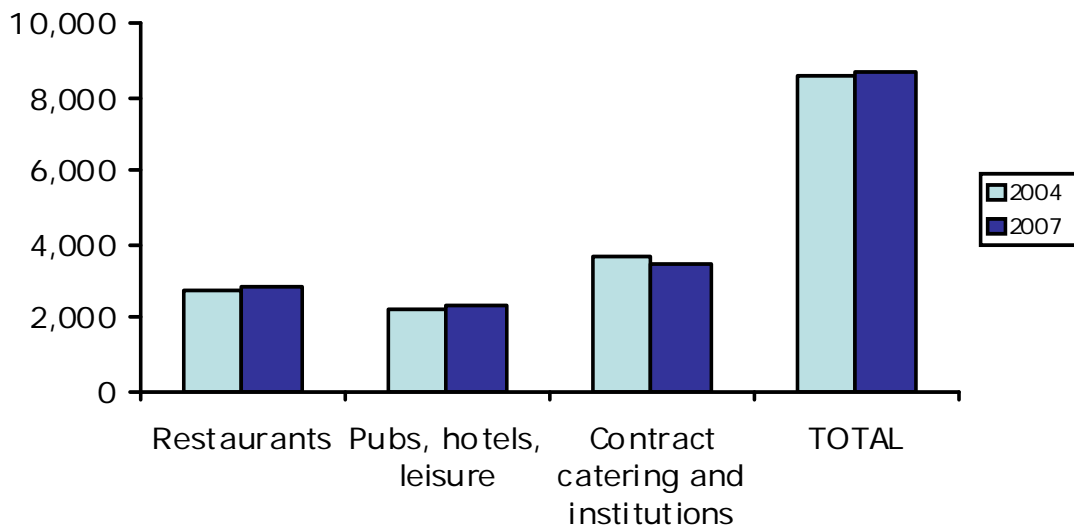
Meals

	Millions	Millions
	2004	2007
Restaurants	2,702	2,881
Pubs, hotels, leisure	2,265	2,355
Contract catering and institutions	3,616	3,489
TOTAL	8,583	8,726

Source: Horizons

- The foodservice sector served 143 million more meals - representing an increase of 1.7% - between 2004 and 2007
- Growth was especially noticeable in the Restaurant sector where the increase was 179 million meals
- Pubs, hotels and the leisure sector served an additional 90 million meals - but this was more than offset by a fall of 127 million meals in the institutional sector

Meals (Millions): 2004 -2007



FOODSERVICE SECTOR 2004 TO 2007 COMPLETE SECTOR

Food Purchases: 2004

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Restaurants	3,789	983	413	1,314	1,078
Pubs, hotels, leisure	3,280	1,539	293	764	684
Contract catering and institutions	2,563	849	455	794	465
TOTAL	9,631	3,371	1,161	2,872	2,228

Source: Horizons

- Chilled and frozen food account for 65% of all the food purchased by foodservice operators
- Frozen food is 23% of the total and Chilled - short life (or Fresh) food represents a further 31%
- Restaurants are especially dependent on frozen food which accounts for 28% of their total food purchases.

Food Purchases: 2007

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Restaurants	4,041	1,041	441	1,437	1,122
Pubs, hotels, leisure	3,436	1,604	303	821	709
Contract catering and institutions	2,607	850	463	836	459
TOTAL	10,084	3,494	1,207	3,093	2,289

Source: Horizons

- Fresh food (also called Chilled - short life) grew at 7.7% between 2004 and 2007 compared with an average of 4.7% for the market as a whole
- Purchases of Chilled-long life food grew by 4%, much of it in the Restaurant sector
- Frozen sales grew by getting on for 3% and increased in all sectors.

**Foodservice Sector 2004 to 2007
COMPLETE SECTOR**

Food & Drink Sales

£ Millions

	2004	2007
Restaurants	16,875	18,240
Pubs, hotels, leisure	15,293	16,249
Contract catering and institutions	4,790	4,903
TOTAL	36,959	39,393

Source: Horizons

- From 2004 to 2007, food and drink sales grew by 6.5% reflecting an increase in all sectors
- Restaurants lead the way with an additional £1.4 billion of sales

For full definitions of these sectors go to Horizons website www.horizonsforsuccess.com and click on "Detailed definitions"