

MIXED BAG FOR PUBS, HOTELS AND LEISURE SECTOR

The smaller end of the hotel market particularly B&B's and guest houses has seen outlet numbers decline whilst there has been substantial growth in the number of the largest hotels – especially those with over 200 rooms.

This sector is now worth over £700 million for frozen and has enjoyed 3.7% value growth over the three years of the data provided.

The pub sector has done better than either hotels or leisure and has seen food purchases grow by 4.8% to just under £500 million in 2007.

The data only covers a small part of the period since the ban on smoking in public places with England introducing the legislation on 1st July 2007 whilst Scotland had gone a year earlier.

If you would like to receive more detailed information on any of the data shown above please contact Peter Backman at <http://www.horizonsforsuccess.com/>.

BFFF

September 2008



BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE 2004 AND 2007 COMPARISON - PUBS, HOTELS & LEISURE SECTOR



Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2004 £ millions	2007 £ millions	Percentage Gain/Loss	2004 £ millions	2007 £ millions	Percentage Gain/Loss	2004 £ millions	2007 £ millions	Percentage Gain/Loss	2004 £ millions	2007 £ millions	Percentage Gain/Loss
Frozen	462	484	4.8	120	122	1.7	102	103	1.0	684	709	3.7
Chilled - Long Life	81	82	1.2	154	160	3.9	58	61	5.2	293	303	3.4
Chilled - Short Life	295	317	7.4	342	364	6.4	128	139	8.6	764	821	7.5
Ambient	450	471	4.7	764	791	3.5	325	341	4.9	1,539	1,604	4.2
Total	1,288	1,354	5.1	1,380	1,438	4.2	613	644	5.1	3,280	3,436	4.8

GENERAL INFORMATION

Information Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2004	2007	Percentage Gain/Loss	2004	2007	Percentage Gain/Loss	2004	2007	Percentage Gain/Loss	2004	2007	Percentage Gain/Loss
No. of Outlets	51,267	50,841	-0.8	47,389	46,188	-2.5	18,995	19,370	2.0	117,652	116,399	-1.1
No. of Meals Served Millions	1,095	1,152	5.2	642	660	2.8	528	544	3.0	2,265	2,355	4.0
Food and Drink Sales - £ millions	5,630	5,985	6.3	6,806	7,221	6.1	2,857	3,043	6.5	15,293	16,249	6.3



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

**FOCUS ON FOODSERVICE SECTOR 2004 TO 2007
- PUBS, HOTELS & LEISURE**

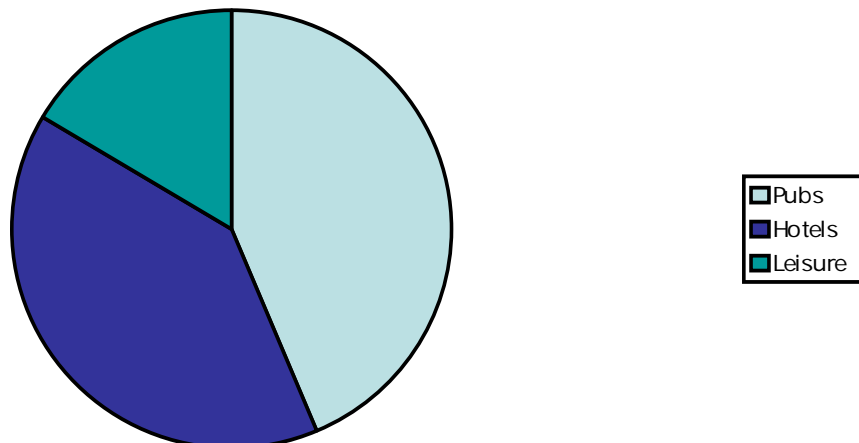
Outlets

	2004	2007
Pubs	51,267	50,841
Hotels	47,389	46,188
Leisure	18,995	19,370
TOTAL	117,652	116,399

Source: Horizons

- Pubs, hotels and leisure outlets are united by the fact that serving food is not their prime business focus. Pubs serve alcohol, Hotels provide accommodation and so on.
- The 118,000 or so outlets in this category account for almost half - 44% - of all foodservice outlets
- Numbers are falling - principally in the hotel sector where a large number of small establishments - B&Bs, guesthouses and the like - have been closing down.
- There has been substantial growth in largest hotels - especially those with over 200 rooms.

Number of outlets: 2007



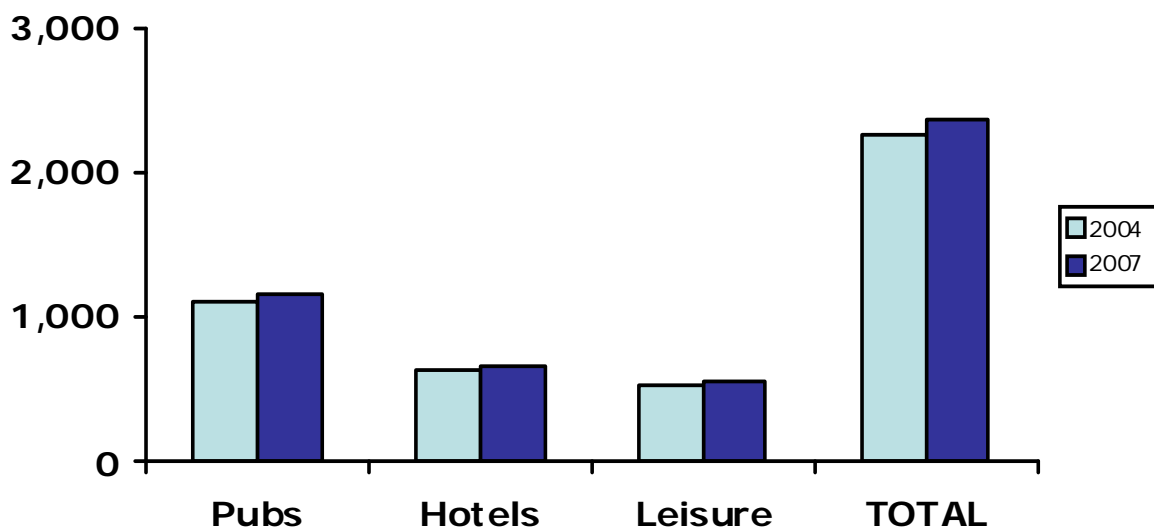
**FOCUS ON FOODSERVICE SECTOR 2004 TO 2007
- PUBS, HOTELS & LEISURE**

	Meals	
	Millions	Millions
	2004	2007
Pubs	1,095	1,152
Hotels	642	660
Leisure	528	544
TOTAL	2,265	2,355

Source: Horizons

- Numbers of meals increased by 4% between 2004 and 2007
- Pub meals, at 5.2%, accounted for the largest proportionate growth; in fact, the pub sector did even better after including Pub Restaurants which are covered separately in the Restaurant sector
- Hotels continued to see a revival in their business following the downturn associated with falling visitors numbers after SARS and 9/11

Meals (Millions): 2004 -2007



**FOCUS ON FOODSERVICE SECTOR 2004 TO 2007
- PUBS, HOTELS & LEISURE**

Food Purchases 2004

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Pubs	1,288	450	81	295	462
Hotels	1,380	764	154	342	120
Leisure	613	325	58	128	102
TOTAL	3,280	1,539	293	764	684

Source: Horizons

- Frozen food accounted for 36% of all food purchased by pubs in 2004
- Hotels, on the other are much more reliant on chilled food - both long life and short life/fresh

Food Purchases 2007

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Pubs	1,354	471	82	317	484
Hotels	1,438	791	160	364	122
Leisure	644	341	61	139	103
TOTAL	3,436	1,604	303	821	709

Source: Horizons

- Fresh food (also called chilled - short life food) maintained its growth, recording a 7.5% increase between 2004 and 2007.
- Frozen sales increased by £37 million over the same period - most of it in the pub sector.

FOCUS ON FOODSERVICE SECTOR 2004 TO 2007
- PUBS, HOTELS & LEISURE

Food & Drink Sales

£ Millions

	2004	2007
Pubs	5,630	5,985
Hotels	6,806	7,221
Leisure	2,857	3,043
TOTAL	15,293	16,249

Source: Horizons

- From 2004 to 2007, food and drink sales to consumers grew by 6.3%
- In terms of total sales, Hotels lead the way with an additional £415 million turnover
- But all sectors recorded sales growth on about 6.4% in this period

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