

RESTAURANT SECTOR CONTINUES TO GROW

Latest statistics provided by Peter Backman of Horizons FS Ltd. show that in the period between 2007 – 2004 that the restaurant sector had grown by 4.1% in terms of frozen food purchases. The full service restaurant sector has grown by 3.8% whilst the quick service restaurant sector has grown by 4.0%. The number of meals served within the restaurant sector now stands at a staggering 2.9 billion, which has grown by 6.6% since 2004. The restaurant sector now enjoys sales of food and drink of just over £18 billion and has enjoyed growth of 8.1% over the three-year period.

In terms of outlets much of the growth has come from quick service sandwich and coffee shops whilst this has been partly offset by a fall in the number of independent units such as cafés and fish and chip shops.

Frozen food purchases account for 20% of all food purchased by the restaurant sector whilst quick service restaurants purchased 41% of their needs through the frozen format.

If any operator, wholesaler or producer would like more information on this sector please do not hesitate to contact Peter Backman at Horizons FS Ltd.

BFFF
April 2008

BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE 2004 AND 2007 COMPARISON - THE RESTAURANT SECTOR



Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	QUICK SERVICE RESTAURANTS (QSR)			FULL SERVICE RESTAURANTS			TOTAL		
	2004 £ millions	2007 £ millions	Percentage Gain/Loss	2004 £ millions	2007 £ millions	Percentage Gain/Loss	2004 £ millions	2007 £ millions	Percentage Gain/Loss
Frozen	921	958	4.0	158	164	3.8	1,078	1,122	4.1
Chilled - Long Life	185	192	3.8	229	249	8.7	413	441	6.8
Chilled - Short Life	497	532	7.0	818	905	10.6	1,314	1,437	9.4
Ambient	614	639	4.1	368	402	9.2	983	1,041	5.9
Total	2,216	2,321	4.7	1,572	1,720	9.4	3,789	4,041	6.7

GENERAL INFORMATION

Information Categories	QUICK SERVICE RESTAURANTS (QSR)			FULL SERVICE RESTAURANTS			TOTAL		
	2004	2007	Percentage Gain/Loss	2004	2007	Percentage Gain/Loss	2004	2007	Percentage Gain/Loss
No. of Outlets	29,496	30,455	3.3	26,208	26,927	2.7	55,703	57,382	3.0
No. of Meals Served - Millions	1,981	2,110	6.5	721	771	6.9	2,702	2,881	6.6
Total Food and Drink Sales - £ millions	9,092	9,695	6.6	7,783	8,545	9.8	16,875	18,240	8.1

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

Web Site: www.horizonsforsuccess.com

**FOCUS ON FOODSERVICE 2004 AND 2007 COMPARISON
- THE RESTAURANT SECTOR**

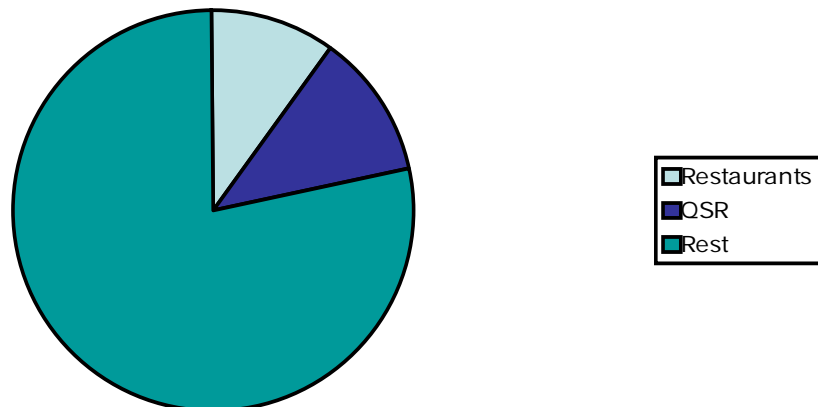
Outlets

	2004	2007
Full Service Restaurants	26,208	26,927
Quick Service Restaurants	29,496	30,455
TOTAL	55,703	57,382

Source: Horizons

- Restaurants - full service plus quick service - account for 21% of all outlets
- Numbers have increased by almost 1,700 in the three years to 2007
- Much of this increase has come from the quick service sector especially sandwich and coffee shops
- Some of the growth in these sectors has been offset by a fall in independent units such as cafes and fish and chip shops

Number of outlets: 2007



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**FOCUS ON FOODSERVICE 2004 AND 2007 COMPARISON
- THE RESTAURANT SECTOR**

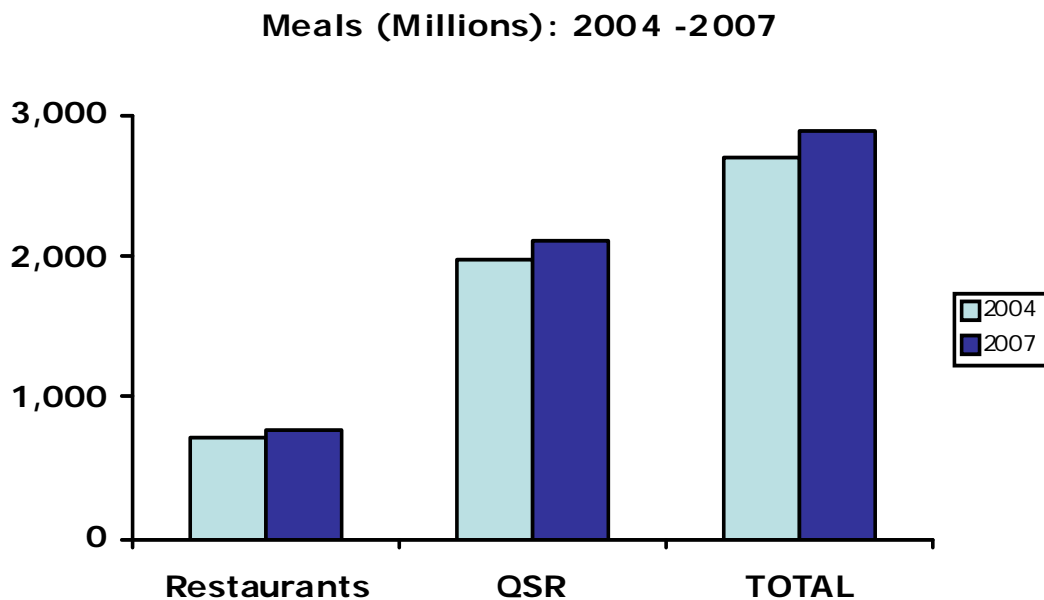
Meals

Millions Millions

	2004	2007
Full Service Restaurants	721	771
Quick Service Restaurants	1,981	2,110
TOTAL	2,702	2,881

Source: Horizons

- Numbers of meals have grown by 179 million - 6.7% since 2004
- Meals served by quick service outlets grew by 6.5%



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FOCUS ON FOODSERVICE 2004 AND 2007 COMPARISON - THE RESTAURANT SECTOR

Food Purchases: 2004

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Full Service Restaurants	1,572	368	229	818	158
Quick Service Restaurants	2,216	614	185	497	921
TOTAL	3,789	983	413	1,314	1,078

Source: Horizons

- Frozen food accounted for 28% of all food purchased by restaurants in 2004
- In quick service outlets, the percentage was almost 42%

Food Purchases: 2007

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Full Service Restaurants	1,720	402	249	905	164
Quick Service Restaurants	2,321	639	192	532	958
TOTAL	4,041	1,041	441	1,437	1,122

Source: Horizons

- Food purchases increased by 6.7% in inflation-adjusted terms between 2004 and 2007
- Frozen food grew by £37 million
- Fresh (Chilled - short life) food grew by over 96% and chilled food advanced by almost 7%

Food & Drink Sales

£ Millions

	2004	2007
Full Service Restaurants	7,783	8,545
Quick Service Restaurants	9,092	9,695
TOTAL	16,875	18,240

Source: Horizons

- Restaurant sales increased by 8.1% in the three years to 2007
- Full service restaurants grew by almost 10%
- Quick service grew by nearly 7%

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