



**FOCUS ON FOODSERVICE 2007 AND 2010 COMPARISON
COST SECTOR**

FOOD PURCHASES

| Food Categories | STAFF CATERING | HEALTHCARE | EDUCATION | OTHER | TOTAL |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010 £ millions | 2010 £ millions | 2010 £ millions | 2010 £ millions | 2010 £ millions |
| Frozen | 20 | 109 | 94 | 8 | 231 |
| Chilled - Long Life | 18 | 93 | 115 | 25 | 251 |
| Chilled - Short Life | 45 | 194 | 138 | 32 | 409 |
| Ambient | 48 | 111 | 166 | 44 | 369 |
| Total | 130 | 507 | 513 | 109 | 1,259 |

FOCUS ON FOODSERVICE 2007 AND 2010 COMPARISON - COST SECTOR

GENERAL INFORMATION

| Information Categories | STAFF CATERING | | | HEALTHCARE | | | EDUCATION | | | OTHER | | | TOTAL | | |
|---------------------------------|----------------|--------|-------------|------------|--------|-------------|-----------|--------|-------------|-------|-------|-------------|--------|--------|-------------|
| | 2007 | 2010 | % Gain/Loss | 2007 | 2010 | % Gain/Loss | 2007 | 2010 | % Gain/Loss | 2007 | 2010 | % Gain/Loss | 2007 | 2010 | % Gain/Loss |
| No. of Outlets | 10,885 | 10,239 | -5.9 | 30,846 | 31,196 | 1.1 | 29,431 | 28,754 | -2.3 | 2,401 | 2,409 | 0.3 | 73,563 | 72,598 | -1.3 |
| No. of Meals Served - Millions | 303 | 149 | -50.8 | 741 | 786 | 6.1 | 717 | 803 | 12.0 | 116 | 116 | 0.0 | 1,877 | 1,854 | -1.2 |
| Food and Drink Sales £ millions | 717 | 378 | -47.3 | 650 | 689 | 6.0 | 842 | 967 | 14.8 | 148 | 134 | -9.5 | 2,357 | 2,168 | -8.0 |

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



Foodservice Sector 2007 to 2010
Staff catering, Health care, Education, Services
Excluding Contract Catering

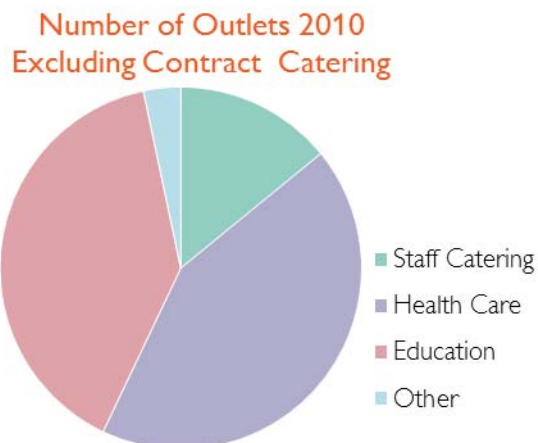
Outlets

| | 2007 | 2010 |
|----------------|--------|--------|
| Staff Catering | 10,885 | 10,239 |
| Health Care | 30,846 | 31,196 |
| Education | 29,431 | 28,754 |
| Other | 2,401 | 2,409 |
| TOTAL | 73,563 | 72,598 |

Source: Horizons

Note: Although excluded from these figures, Contract caterers operate in all these sectors

- These sectors are united in that subsidies are a significant operational element for most outlets although this is decreasing, especially in the staff catering (B&I) sector
- The 72,000 or so outlets in the institutional/non-commercial sector account for about 28% of all foodservice outlets
- Numbers are declining partly because the former increases in the care homes sector are slowing down as a result of cutbacks in local authority spending.



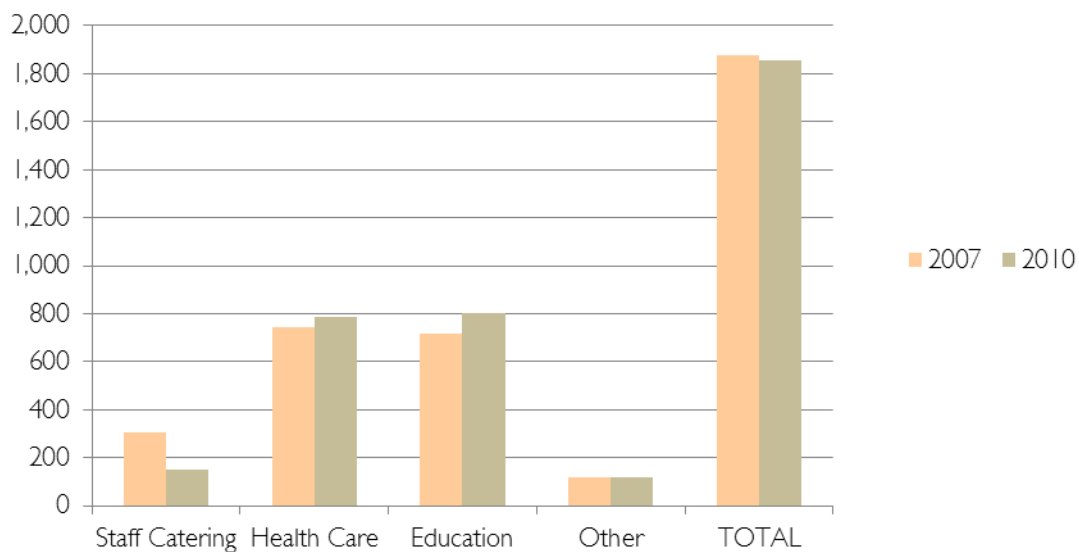
Foodservice Sector 2007 to 2010
 Staff catering, Health care, Education, Services
 Excluding Contract Catering

| Meals | Millions | Millions |
|----------------|--------------|--------------|
| | 2007 | 2010 |
| Staff Catering | 303 | 149 |
| Health Care | 741 | 786 |
| Education | 717 | 803 |
| Other | 116 | 116 |
| TOTAL | 1,877 | 1,854 |

Source: Horizons

- The numbers of meals (excluding those served by contract caterers) fell by -1.2% between 2007 and 2010
- This decline was due primarily to the halving of meals in self-run staff catering
- Between 2007 and 2010, meals served in the health care and education sectors grew by 6.1% and 12.0% respectively

Meals (Millions): 2007-2010
 Excluding Contract Catering



Foodservice Sector 2007 to 2010
 Staff Catering, Health Care, Education, Services
 Excluding contract catering

| Food Purchases | 2007 | | 2010 | | | |
|----------------|--------------|--------------|------------|---------------------|----------------------|------------|
| | £ Millions | | | | | |
| | Total | Total | Ambient | Chilled - long life | Chilled - short life | Frozen |
| Staff Catering | 323 | 130 | 48 | 18 | 45 | 20 |
| Health Care | 520 | 507 | 111 | 93 | 194 | 109 |
| Education | 494 | 513 | 166 | 115 | 138 | 94 |
| Other | 116 | 109 | 44 | 25 | 32 | 8 |
| TOTAL | 1,453 | 1,259 | 369 | 251 | 409 | 231 |

Source:
 Horizons

- Total demand for food declined by -13.4% in nominal terms between 2007 and 2010
- Frozen food accounts for 18% of all food in these sectors – up from 16% in 2009
- At £409million in 2010, demand for Chilled short-life food is almost twice as large as demand for Frozen food

Foodservice Sector 2007 to 2010
 Staff Catering, Health Care, Education, Services
 Excluding contract catering

| Food & Drink Sales | | |
|--------------------|--------------|--------------|
| £ Millions | | |
| | 2007 | 2010 |
| Staff Catering | 717 | 378 |
| Health Care | 650 | 689 |
| Education | 842 | 967 |
| Other | 148 | 134 |
| TOTAL | 2,357 | 2,168 |

Source: Horizons

- From 2007 to 2010, food and drink sales fell by -8% which was less than the fall in purchases reflecting reflects the on-going reduction in subsidies with the result that operators are generating more income direct from their customers.
- Sales in the Education sector grew fastest of all these sectors over the period 2007 to 2010
- The Health care sector also grew – at 6% over the same period

For full definitions of these sectors go to Horizons website www.hrzn.com and click on “Detailed definitions”