



BRITISH FROZEN FOOD FEDERATION

RETAIL CONFECTIONERY AND DESSERTS MARKET

Source: TNS Worldpanel



52 Weeks Ending	Value £'Million	YOY %	Volume Tonnes	YOY %
2.12.07	261	3.4	80,327	3.4
10.09.07	262	5.0	80,510	6.0
17.06.07	261	6.6	80,530	9.1
25.3.07	258	7.0	79,870	11.1
3.12.06	253	5.8	77,719	9.9
10.09.06	249	6.0	75,923	8.5

The retail confectionery and desserts market saw a terrific value and volume growth between March 06 and 07 with the introduction of frozen fruit. The trend towards Smoothies and the convenience of being able to take your fruit out of the freezer whenever you needed it proved to be irresistible to consumers. The market has seen some new entrants in recent years with Almondy and Atlantic Foods and others replacing the gap left by the demise of Hibernia and to a lesser extent Sara Lee. The market traditionally has been dominated by private label and the retailers continue to be the main innovators in this market.

Tough trading conditions have led to consolidation of the supply base with Country Style Foods acquiring RHM's frozen desserts business and taking over the licences to produce both Sara Lee and Cadbury desserts. Rumours persist that other players in the market would quite like to dispose of their desserts business but there doesn't appear to be a pipeline of willing investors.

In the hot eating sector of desserts, Aunt Bessie's has show good growth with its range of fruit pies whilst the arrival of Almondy, Pudz, Gü (short lived) and Findus have also boosted sales of premium desserts.

Own label has seen its market share increase from around 50% back in 2003 to closer to 66% in 2007. During that time the Sara Lee brand has seen its share fall from 17% to a lowly 4% share in 2007.

The premiumisation that is going on in the frozen market in general gives some hope for the desserts market, which has taken a time to recover from the dark days of the BOGOF mania.

BFFF

March 2008

All reasonable care is taken in the preparation of this newsletter, but no liability is accepted for any loss or damage caused to any person, company or organisation relying on any statement or omission in the contents.