



FOODSERVICE MARKET

FROZEN GROWING IN THE PUB SECTOR

The latest information provided by Horizons examines the pubs, hotel and leisure sectors in foodservice.

The sector in total, has grown by 5.0% between 2003 and 2006, whilst frozen has grown by 3.3%.

- Frozen food is worth just under half a billion pounds in the pubs sector and is growing at 4.0% over the 3 years. Frozen has also grown in the hotel and leisure sector but at a slower pace.
- The number of meals served has grown by 3.9% over the 3 years with the pub sector, the most important for frozen, growing by 4.6%. This equates to an additional 50 million meals per annum.
- The number of outlets at just under 117,000 has hardly changed in the 3-year period although the number of hotels has fallen by 2.5% whilst the number of leisure units has grown by 2.0%. The fall in the hotel sector is mainly in small establishments particularly B&B's and guesthouses. There has been substantial growth in the largest hotels especially those over 200 rooms. This sector accounts for 44% of all foodservice outlets.

In summary, this sector is an important part of the foodservice landscape for frozen food wholesalers and producers. It is most encouraging that the key sector for frozen is growing and the quality of products that we see each year in our annual awards bears testament to the continuing innovation and quality that our members are able to consistently deliver.

Brian Young

BFFF

June 2007



BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE 2003 AND 2006 COMPARISON - PUBS, HOTELS & LEISURE SECTOR



Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions	Percentage Gain/Loss
Frozen	446	464	4.0	115	118	2.6	99	100	1.0	660	682	3.3
Chilled - Long Life	79	80	1.3	147	154	4.8	55	58	5.5	281	292	3.9
Chilled - Short Life	281	302	7.5	323	348	7.7	121	132	9.1	725	782	7.9
Ambient	434	452	4.1	729	762	4.5	310	327	5.5	1,473	1,541	4.6
Total	1,240	1,298	4.7	1,314	1,382	5.2	585	617	5.5	3,139	3,297	5.0

GENERAL INFORMATION

Information Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2003	2006	Percentage Gain/Loss	2003	2006	Percentage Gain/Loss	2003	2006	Percentage Gain/Loss	2003	2006	Percentage Gain/Loss
No. of Outlets	51,352	51,102	-0.5	47,725	46,544	-2.5	18,869	19,253	2.0	117,946	116,899	-0.9
No. of Meals Served - Millions	1,081	1,131	4.6	627	652	4.0	523	535	2.3	2,231	2,318	3.9
Food and Drink Sales - £ millions	5,411	5,710	5.5	6,438	6,902	7.2	2,729	2,908	6.6	14,578	15,520	6.5



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

Website: www.horizonsforsuccess.com

FOODSERVICE MARKET

FOODSERVICE SECTOR 2003 TO 2006 PUBS, HOTELS AND LEISURE

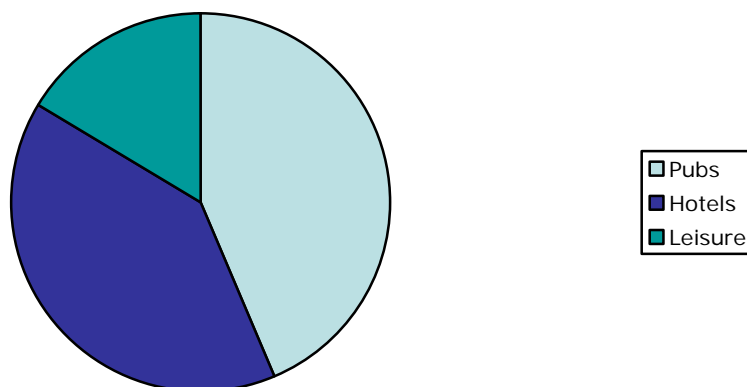
OUTLETS

	2003	2006
PUBS	51,352	51,102
HOTELS	47,725	46,544
LEISURE	18,869	19,253
TOTAL	117,946	116,899

Source: Horizons

- Although apparently a disparate selection of sectors, in fact they are united by the fact that serving food is not their prime business focus. Pubs serve alcohol, Hotels provide accommodation and so on.
- The 117,000 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: 2006



Contd.

**FOODSERVICE SECTOR 2003 TO 2006
PUBS, HOTELS AND LEISURE**

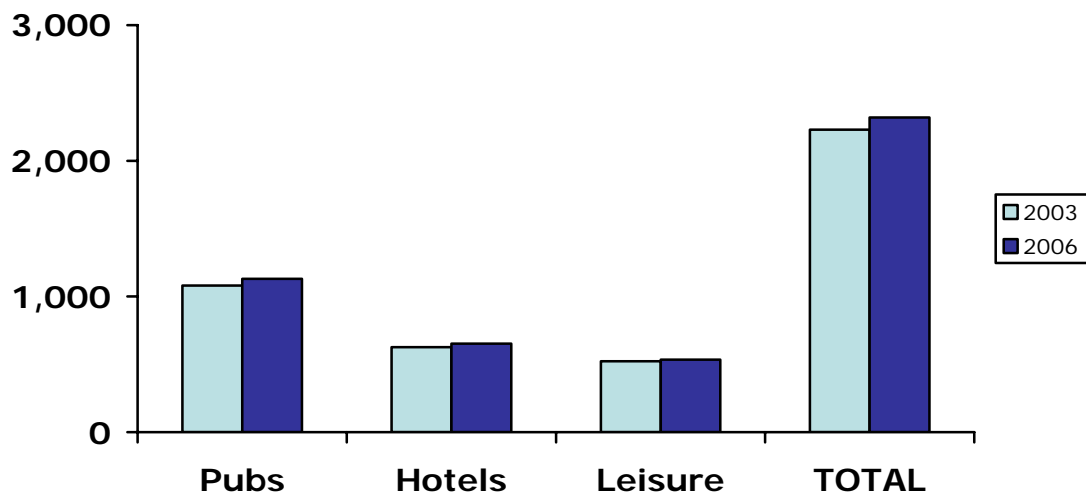
MEALS

	Millions	Millions
	2003	2006
PUBS	1,081	1,131
HOTELS	627	652
LEISURE	523	535
TOTAL	2,231	2,318

Source: Horizons

- Numbers of meals increased by 4% between 2003 and 2006
- Pub meals, at 4.6%, grew faster than this; in fact, the pub sector did even better after including Pub Restaurants which have been covered in the Restaurant sector that was previously featured on this site
- Hotels are beginning to see a revival in their business following the downturn associated with falling visitors numbers after SARS and 9/11

Meals (Millions): 2003 -2006



**FOODSERVICE SECTOR 2003 TO 2006
PUBS, HOTELS AND LEISURE**

FOOD PURCHASES - 2003

£ Millions

	Total	Ambient	Chilled - Long Life	Chilled - Short Life	Frozen
PUBS	1,240	434	79	281	446
HOTELS	1,313	729	147	323	115
LEISURE	586	310	55	121	99
TOTAL	3,139	1,473	281	725	660

Source: Horizons

- Frozen food accounted for 36% of all food purchased by pubs in 2003
- Hotels, on the other are much more reliant on chilled food – both long life and short life/fresh

FOOD PURCHASES - 2006

£ Millions

	Total	Ambient	Chilled - Long Life	Chilled - Short Life	Frozen
PUBS	1,298	452	80	302	464
HOTELS	1,382	762	154	348	118
LEISURE	618	327	58	132	100
TOTAL	3,298	1,541	292	782	682

Source: Horizons

- Fresh food (also called chilled – short life food) grew at the remarkable rate of 7.7 between 2003 and 2006.
- Frozen sales increased by £23 million – almost all of it in the pub sector.

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**FOODSERVICE SECTOR 2003 TO 2006
PUBS, HOTELS AND LEISURE**

FOOD & DRINK SALES

£ Millions

	2003	2006
PUBS	5,411	5,710
HOTELS	6,438	6,902
LEISURE	2,729	2,908
TOTAL	14,578	15,520

Source: Horizons

- From 2003 to 2006, food and drink sales grew by 6.5%
- Hotels lead the way with an additional £464 million turnover – equivalent to growth of 7.2%
- Pubs and the leisure sector both grew by over 5% in the period

**FOODSERVICE SECTOR 2003 TO 2006
PUBS, HOTELS AND LEISURE**

SECTOR DEFINITIONS

Pubs:

N.B: All pubs that are part of a hotel are counted in the hotel sector.
Tenanted operators include franchises and leases.

- Brewery Owned
 - Tenanted and Leased
 - Managed Branded
 - Managed Unbranded

- Pubco Owned
 - Tenanted and Leased
 - Managed Branded
 - Managed Unbranded

- Other
 - Freehouse
 - Wine Bar
 - Night Club.

Hotels:

N.B: Each site is counted as one outlet even though it might have several foodservice components within it (e.g. a restaurant, a pub and room service). Travel hotels are counted only if they offer some foodservice offering (e.g. room service). Self catering outlets are not included.

- Hotels
 - 201+ Rooms
 - 101-200 Rooms
 - 51-100 Rooms
 - 26-50 Rooms
 - 11-25 Rooms
 - <10 Rooms

- Other Accommodation
 - • Bed & Breakfast
 - • Holiday Camps:
N.B: The accommodation section of holiday camps is included in hotels whereas the rest of the centre is counted under theme parks in Leisure

- Youth Hostels

- Caravan Parks

Contd.

SECTOR DEFINITIONS

Leisure

N.B: Leisure parks (such as Warner Village) are excluded from this category. Outlets located on such sites are included in the relevant sector (Restaurants, Quick Service etc).

- Visitor Attractions
 - Historical Properties/Gardens
 - Museums/Galleries
 - Zoos/Wildlife
 - Theme Parks

- Entertainment
 - Theatres
 - Cinemas
 - Gambling
 - Sport Events/Race Tracks

- Clubs
 - Health Clubs & Fitness Centres:
N.B: Outlets that also include a health club/sports centre are included in this category
 - Leisure & Sport Centres:
N.B: Outlets that also include a sport or social club are included in this category
 - Sport & Social Clubs:
N.B: Cricket, tennis and golf clubs are included in this category

- Events and Mobile Caterers
 - Events Caterers
 - Mobile Caterers
 - Mobile Film Caterers

- On Board Travel
 - Airline Catering
 - Ferry Catering
 - Rail Catering
 - Bus & Coach Catering.
N.B: Each port, station, etc is counted as a single outlet. This categorisation brings up a number of difficulties when examining location, group and outlet size distribution. Hence, outlet numbers for on board travel should be used with care.