



BFFF QUARTERLY REPORT

RETAIL MARKET STABLE WITH SOME SECTORS NOW PUSHING AHEAD

The latest Taylor Nelson Sofres (TNS) numbers on the retail frozen food market for the 52 weeks to 3rd December 2006, confirm what BFFF has been saying over the last 6 months, which is that the frozen food market has stabilised. The market stands at £4.4 billion with value showing no gain or loss over the last year although volumes are slightly down by 0.6% year on year.

The recent turnaround for the Frozen Confectionery and Desserts sector continues with further value growth of 5.0% and volume growth of a whopping 9.3%. Frozen Fish has seen value grow by 4.4% whilst volumes have been static. Ice cream continues to grow with value growth being 5.1% and volume up 4.0%. Frozen Potatoes may be beginning to show the first signs of the effects of the poor crop as volumes are down by 2.4% but value is up 1.2%. Frozen pizzas are static at both value and volume year on year, whilst Frozen Vegetables show a slight decline of 1.4% for both value and volume.

Frozen Ready Meals continue to be the bete noire of the frozen food market with value down by 6.2% and volume by 3.5%. We know from the "Grocer" Brand Review that not all branded players are struggling as Aunt Bessie's, Youngs and Chicago Town are all showing growth. It is Birds Eye, WeightWatchers and Orient Express who are really suffering. It is early days for Birds Eye "Pub Specials" and we hope that the launch is successful so that we begin to arrest the decline with higher quality products.

We can be encouraged by the latest set of retail statistics as we have several sectors doing really well and a much steadier overall retail market.

BFFF

23rd January 2007



BRITISH FROZEN FOOD FEDERATION

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 3 DECEMBER 2006

Source: TNS Worldpanel



Value (£000s)

Volume (Tonnes)

RETAIL CATEGORIES	Value (£000s)			Volume (Tonnes)		
	52 w/e 4 Dec 2005	52 w/e 3 Dec 2006	% Gain/Loss	52 w/e 4 Dec 2005	52 w/e 3 Dec 2006	% Gain/Loss
Total Frozen Foods	4,454,138	4,441,129	-0.3	1,974,804	1,962,715	-0.6
Total Ice Cream	579,272	609,093	5.1	330,965	344,345	4.0
Frozen Confectionery & Desserts	238,899	250,952	5.0	70,714	77,266	9.3
Frozen Fish	556,798	581,213	4.4	110,297	109,926	-0.3
Frozen Meat and Poultry	501,514	477,978	-4.7	193,993	183,492	-5.4
Frozen Vegetables	345,996	341,315	-1.4	278,122	274,269	-1.4
Frozen Potato Products	439,387	444,574	1.2	448,578	437,998	-2.4
Frozen Ready Meals	679,741	637,831	-6.2	203,710	196,534	-3.5
Frozen Pizzas	327,679	327,402	-0.1	91,041	90,908	-0.1
Frozen Savoury Food*	784,852	770,771	-1.8	247,384	247,977	0.2

*Savoury Food includes Frozen Bread, Cooked Poultry, Meat Products, Processed Poultry, Savoury Bakery, Vegetarian Products and Other Frozen Foods



Source: TNS Worldpanel
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