



FROZEN FOODS SALES MOMENTUM CONTINUES

The retail frozen food market continues to accelerate and for the eighth quarter in a row year on year value growth has accelerated.

In the last year the market has put on £190 million in value with the fish sector leading the way having grown in value by £65 million whilst potato products have put on £35 million, meat and poultry £32 million, vegetables £20 million and pizzas £15 million.

The fish sector has benefited from the intense competition between Birds Eye and Young's as both brand giants increase their product and promotional activity. They have tapped into consumers' interest in Omega 3 health benefits and generally wanting to eat more healthily.

The potato market has continued to grow in value despite the problems of sourcing potatoes. McCain's and Aunt Bessie continue to drive product innovation and recent words of praise from Delia Smith, the nations favourite cook, will do neither brand any harm what so ever.

The vegetable market have had issues with poor crops particularly of peas and green beans and has seen values and prices increase, however, there has been further innovation in the market through new products such as soya beans and more expensive items such as asparagus have helped to maintain momentum in this sector.

The much-maligned ready meals market has now flattened out with the value of the market being unchanged since the summer of last year. The real loser over the last twelve months has been the ice cream market especially hand held impulse buys and standard tubs but the luxury end of the market continues to grow at some pace and given a normal summer this year we can expect it to return to its customary solid growth.

The market growth continues to be well founded with seven of the nine sectors enjoying growth and one would expect both ice cream and ready meals to come out of their negative positions within the next six months.

Perhaps the most encouraging news in the latest set of market stats is that we have seen volume growth of 1.4% driven by fish at 7.3% growth, vegetables at 4.0% growth and pizzas at 6.7% growth. If we are seeing more consumers shopping the frozen fixture that can only be good news for all.

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BRITISH FROZEN FOOD FEDERATION

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 23 MARCH 2008

Source: TNS Worldpanel



RETAIL CATEGORIES	VALUE (£000s)			VOLUME (Tonnes)		
	52 w/e 25 Mar 07	52 w/e 23 Mar08	% Gain/Loss	52 w/e 25 Mar 07	52 w/e 23 Mar08	% Gain/Loss
Total Frozen Foods	4,492,970	4,683,625	4.2	1,956,877	1,984,116	1.4
Total Ice Cream	613,281	604,048	-1.5	345,220	325,885	-5.6
Frozen Confectionary & Desserts	257,996	266,152	3.2	79,766	81,259	1.9
Frozen Fish	593,977	658,626	10.9	111,196	119,263	7.3
Frozen Meat & Poultry	492,763	525,351	6.6	183,913	188,062	2.3
Frozen Vegetables	348,595	368,908	5.8	272,277	283,058	4.0
Frozen Potato Products	457,158	492,607	7.8	431,088	441,698	2.5
Frozen Ready Meals	631,799	619,134	-2.0	194,704	190,955	-1.9
Frozen Pizza	331,503	346,967	4.7	92,237	98,456	6.7
Frozen Savoury Food*	766,001	801,697	4.7	246,571	255,419	3.6

*Savoury Food includes Frozen Bread, Frozen stuffing Cooked poultry, Meat Products, Processed Poultry, Savoury Bakery, vegetarian products and Other Frozen Foods



Source: TNS Worldpanel
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