



RETAIL FROZEN FOOD MARKET IN LIFT OFF

Growth is officially back in the retail frozen food market with the latest TNS Worldpanel data for the year to 25th March showing a terrific annual value growth of 1.7%.

The sector analysis reveals that six of the nine categories tracked are enjoying growth whilst the three sectors showing decline also showed promise with their rate of decline falling in each.

More good news was evident with tonnages being only stable meaning that the value of goods sold is increasing.

- The biggest value growth came from Confectionery and Desserts with year on year growth of 7% whilst volumes were up by 11.1%.
- The Ice Cream sector continues to show growth accelerating to 6.3% year on year, whilst volumes moved up by 4.9% year on year indicating that the move towards more premium lines continues unabated.
- Another category that has been in growth for some while but continuing to accelerate is the Fish sector which has improved its value growth to an impressive 5.3% year on year figure. However, even more remarkable is the lift off in the Potato sector which has turned a growth of 1.2% in the year to December 2006 to a growth of 5.6% in the year to 25th March 2007.
- Amongst the other winners are the Vegetable sector which has turned round a decline of 1.4% last quarter to a growth of 1.8% this. It is fair to say that both potatoes and vegetables have enjoyed value growth as prices have moved up whilst product is in short supply.
- In the other sectors, Pizza is back in growth at 2.4% year on year, Meat and Poultry's decline has reduced from 4.7% year on year to only 1.1% year on year, Savoury Foods decline has dropped from 1.8% year on year to 1.0% year on year and Ready Meals decline over the last three quarters has reduced from 7.0%, to 6.2% and now stands at 5.0% year on year.

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It is very, very good news when I can report that every sector tracked has shown significant improvement in the last three months.

We have flagged up in recent editions that the green shoots of recovery could now be seen and it is a great tribute to our retailers, producers, importers and brokers that those green shoots are now blossoming.

The opportunity to build on the success that we are now seeing, through more premium products, less discounting, increased innovation and better availability is enormous. The Grocery market in general is static so now is the time for frozen to grab its opportunity and become the star sector in the way it has been for nearly all of the last 50 years.

Brian Young
BFFF
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BRITISH FROZEN FOOD FEDERATION

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 25 MARCH 2007

Source: TNS Worldpanel



RETAIL CATEGORIES	VALUE (£000's)			VOLUME (Tonnes)		
	52 w/e 26 Mar 06	52 w/e 25 Mar 07	% Gain/Loss	52 w/e 26 Mar 06	52 w/e 25 Mar 07	% Gain/Loss
Total Frozen Foods	4,411,987	4,485,892	1.7%	1,965,999	1,955,894	-0.5%
Total Ice Cream	575,340	611,368	6.3%	328,310	344,244	4.9%
Frozen Confectionery & Desserts	241,004	257,947	7.0%	71,895	79,870	11.1%
Frozen Fish	563,437	593,057	5.3%	110,607	111,085	0.4%
Frozen Meat and Poultry	495,279	489,642	-1.1%	190,795	183,137	-4.0%
Frozen Vegetables	342,088	348,091	1.8%	278,939	271,987	-2.5%
Frozen Potato Products	432,616	456,669	5.6%	444,790	430,764	-3.2%
Frozen Ready Meals	663,584	630,361	-5.0%	202,896	194,327	-4.2%
Frozen Pizzas	323,429	331,280	2.4%	89,758	92,200	2.7%
Frozen Savoury Food*	775,210	767,477	-1.0%	248,009	248,280	0.1%

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



Source: TNS Worldpanel
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