



RESTAURANT ASSOCIATION OF NEW ZEALAND

2006 Restaurant Industry Forecast EXECUTIVE SUMMARY

Sales to reach \$4,300 million

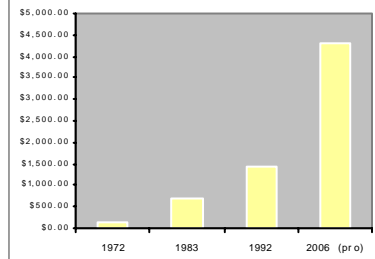
The Restaurant Association forecasts that restaurant industry sales will continue to rise in the next 12 months reaching a record \$4,300 million.

The Association's 2006 forecast is that industry sales are expected to be up 7 per cent over 2005, for a real growth of 5 per cent – will be driven by a positive economic environment and gains in consumers' real disposable personal incomes.

The restaurant industry has reaped the benefit in the past year of a robust economy. Steady gains in indicators such as personal disposable income and jobs continues to bode well for the industry in 2006, despite the anticipated challenges of higher energy, compliance and food costs.

On a typical day in 2006, the industry is expected to post average daily sales of \$11.8 million. The country's projected 11,250 foodservice locations will provide employment for approximately 77,400 people.

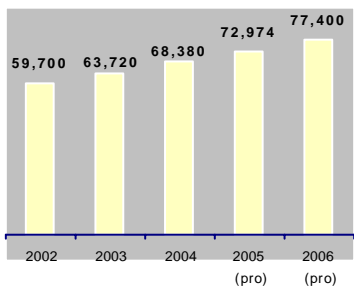
FOODSERVICE INDUSTRY SALES



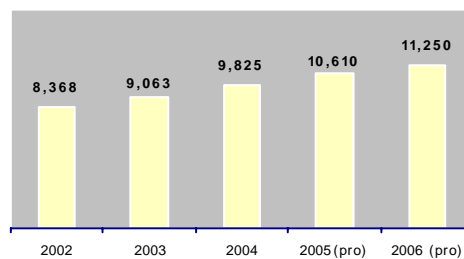
Top Industry Trends in Next 12 Months

1. Greater use of technology as a means to boost productivity and efficiency.
2. Increased focus on upgrades.
3. Estimated that every dollar spent by customers in foodservice operations generates an additional \$1.90 in other allied industries.
4. The industry is New Zealand's largest retail employer.
5. Foodservice outlets are extremely labour intensive—sales per employer were \$55,088 in 2005 (\$379,000 per business). This is notably lower than other industries.
6. Eating and drinking places are mostly small businesses. Seven out of ten have no more than eight employees.
7. An emerging trend: entertaining with a plate of tapas and a glass of wine.

EMPLOYEE COUNT



NUMBER OF FOODSERVICE OUTLETS



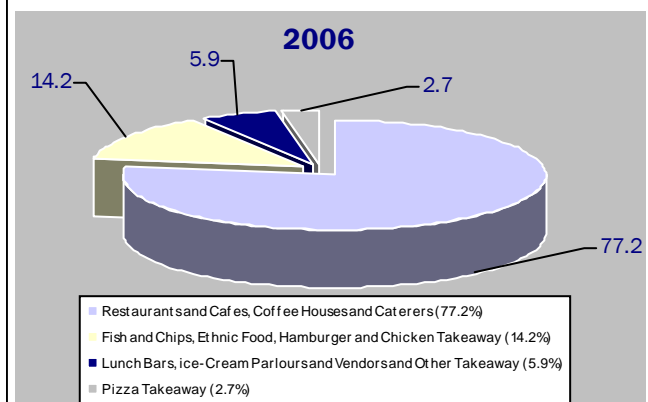
Highlights

Restaurant Industry Sales	\$4,300 mil
Locations	11,250
Employees	77,400

Sales Overview

- Restaurant Industry sales are forecast to reach \$4,300 million.
- Restaurants, cafes, coffee houses and caterers will make up \$3,320 mil (77.2 per cent) of total.
- Fish and chips, ethnic food, Chinese and hamburger \$611 mil (14.2 per cent)
- Lunch Bars, Icecream \$254 mil (5.9 per cent)
- Pizza/Takeaway \$116.0 mil. (2.7 per cent)

PROJECTED FOODSERVICE INDUSTRY SALES ACTUAL PERCENTAGE MARKET SHARE



Source: Statistics New Zealand / Restaurant Association of New Zealand