

## MAFSI 2nd Quarter 2007 Results Show Slow Growth. Growth was 2.8% versus Forecast of 2.9%

ales for the 2nd quarter of 2007 grew by 2.8% which was just slightly less than the 2.9% forecast. The growth rate for the first quarter was 2.3%. At 2.3% and 2.8% respectively for the first and second quarters of 2007, the market for foodservice E&S is moving at just 56% of the 2007 yearly forecast of 4.5%.

Second quarter growth varied highly by territory from a high of 6% in Canada (continued strong Canadian dollar) to 5.2% in the South, 2.5% in the Midwest, 0.2% in the West, and 0% in the Northeast.

Sales by category were 4.1% tabletop, 3.6% supplies, 3.5% furnishing, and 2.5% equipment.

For the first time in three years, negative sales were recorded in Northeast equipment (-0.9%), West equipment (-0.3%) and West furnishing (-1.0%).

Third quarter forecast is:

ra quarter rerectast	15.
Canada	6.7%
South	5%
Midwest	3.6%
Northeast	1.7%
Overall	3.6%

Given the high level of price increases driven by nickel, petroleum, and transportation rises, MAFSI's 2nd quarter results point to negative unit growth.

An overall lowering of expectations seems to be underway as Wall Street adjusts to a housing slump, the tightening of credit, market volatility, and slowing economic growth.

After 11 consecutive quarters of growth, foodservice E&S appears to be heading to a "soft landing."

## businessbarometer

MAFSI Business Confidence Index for 3rd Quarter 2007

(July 1 - Sept 30) compared to 3rd Quarter 2006

+3.6%

MAFSI Business Confidence Index for 2007 Compared to 2006

+4.5%



Projected 3rd Quarter 2007 Sales (July 1 - Sept 30) compared to 3rd Quarter 2006

NORTHEAST + 1.7%

south +5.0%  $^{\text{MIDWEST}}_{+3.6\%}$ 

 $^{\text{WEST}}_{+1.4\%}$ 

canada +6.7%

Projected 2007 Overall Sales Forecast (Compared to Overall Sales for 2007)

NORTHEAST +5.1%

south +5.5%  $\begin{array}{c} \text{MIDWEST} \\ +3.9\% \end{array}$ 

west +3.5%

canada +4.9%

## Regions Represented Total Respondents 112

**NORTHEAST** — ME, NH, VT, MA, RI, CT, DE, NJ, NY, PA, DC, MD, VA

**SOUTH** — NC, SC, GA, FL, AL, TN, MS, AR, LA, OK, TX

MIDWEST — KY, W.PA, WV, ND, SD, NE, KS, MN, IA, MO, WI, IL, IN, MI, OH

**WEST** — WA, OR, ID, MT, WY, CO, NM, UT, AZ, NV, CA, AK, HI

**CANADA** — Includes all of Canada

