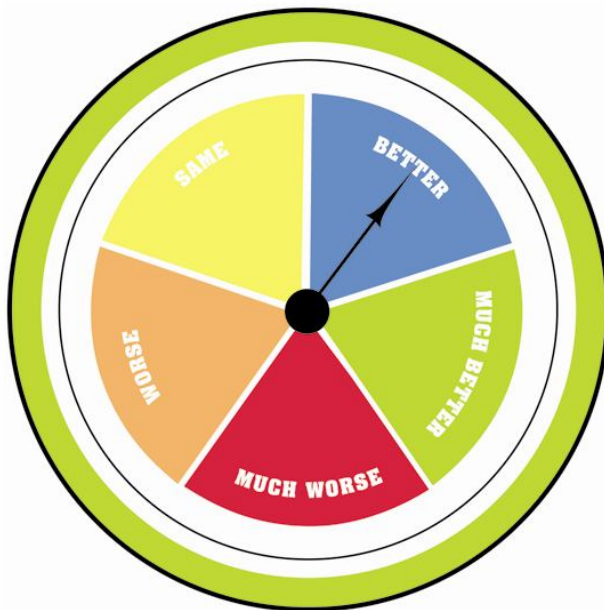
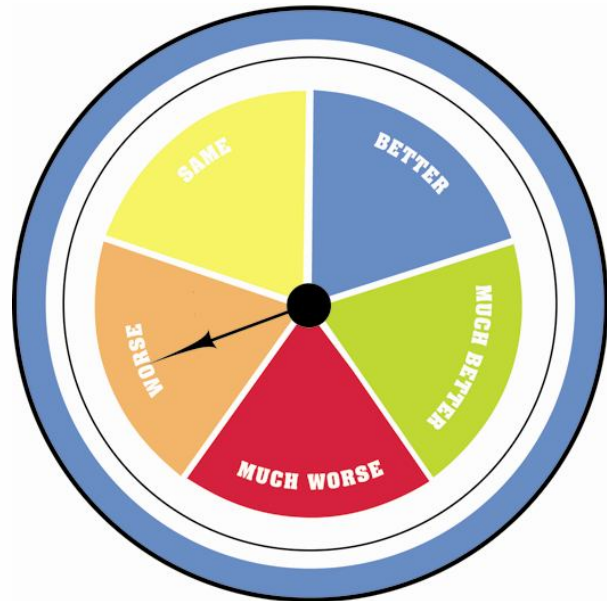


**ALL RESTAURANTS:
October 2009 compared
with September 2009**



**ALL RESTAURANTS:
October 2009 compared
with October 2008**



KEY FINDINGS

October's month-on-month performance was on average considerably better than September's, with high levels of growth in takings (61%) and in number of covers served (67%). Customer spend did not show the same level of growth but 45% reported an increase which is nevertheless a good

performance compared to previous months. October 2009 performed worse in comparison to the same month last year with 61% reporting losses in takings and footfall.

Business Link in London is a free, impartial business advisory service available to anyone starting or running a small or medium size business (SME).

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“Increased volume, increased spend”

Factors which boosted trade in October included the influx of returning students and an Indian summer. The weak pound also attracted many tourists into the capital's restaurants and hotels. Our survey showed that trade from tourism contributed to between 10 and 50% of takings for 22% of

Performance compared to October 2008 was poor which confirms ONS data that the economy has shrunk for a record sixth quarter in a row. Clearly, we still have a way to go to reach pre-recession conditions and whilst performance was good compared to September 2009, operators will still be feeling the pinch while prices in the general economy remain high.

“Early week seems more busy than usual”

respondents, while the majority at 78% said tourist trade accounted for up to 10% of their takings.

Encouragingly, some restaurants have noticed an improvement in early week trade and others have had successful take up of more expensive wines by re-designing their drinks menus. Tap water and set menus prove to be popular with customers but overall consumers are spending less conservatively.

Whilst many restaurateurs were glad of good footfall and rising spend in October, only half of those surveyed said they were currently profitable with many just breaking even. Operator's costs such as rent and supplies are affecting profitability adversely and as recent figures from the Office of National Statistics suggest, the economy is still contracting.

“Students returned this month which provided a welcome boost”

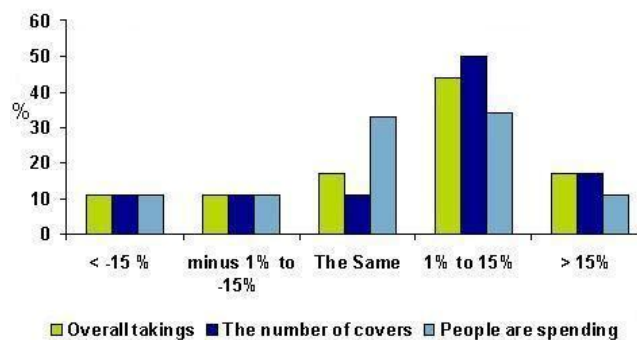
Restaurants in areas popular with tourists should appeal to the tourist trade while the pound remains weak and all establishments could capitalise on rising numbers coming into restaurants by re-engineering their menus. They could also benefit from increasing variety on their menus as data from our partners Service Science Ltd suggests that 60% of diners will choose adventurous over familiar dishes when going out for dinner.

“Catering and corporate spending have increased dramatically since September after nearly a year of muted spending”

MONTH ON MONTH

61% reported an increase in takings on last month with 17% saying takings remained the same as September 2009, and a further 22% reporting a decrease. Similarly, 67% said covers were up on last month (17% were heavily up) with 11% reporting no change and 22% saying footfall had dropped compared with September 2009. Customer spend increased for 45% of our survey with 33%

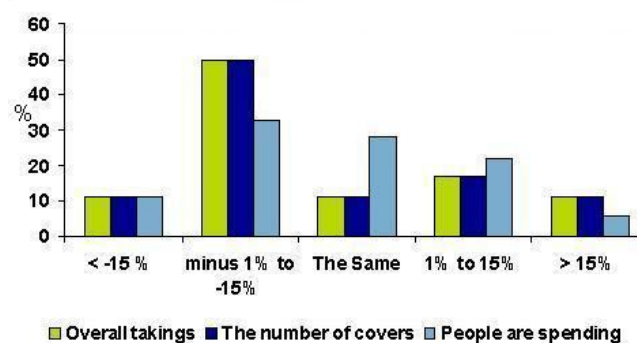
saying spend remained the same as in September 2009 and 22% reporting a loss.



COMPARED TO SAME MONTH LAST YEAR

28% of our respondents said that takings had increased on the same month last year, with 11% reporting no change and the majority at 61% saying that takings had dropped compared to October 2008. Similarly, 28% of our survey said the number of covers was up on last year, with 11% saying footfall remained the same and 61% reporting a loss in comparison to October 2008. Customer

spend increased in 28% of our survey with 28% reporting no change and a further 44% saying that spend had decreased compared to the same month last year.

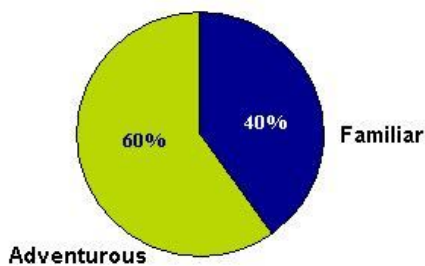


THE BURNING QUESTION

Our partners at guest service measurement specialists Service Science Ltd (www.servsci.co.uk) have put your questions to their panel of regular diners on the London eating out scene.

Thank you for all your questions. If yours wasn't selected, please don't let it stop you putting it forward again next month.

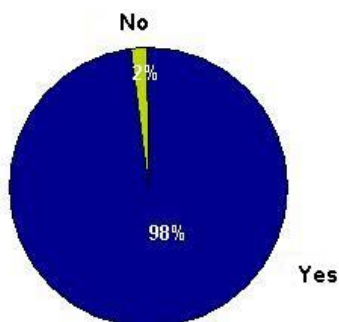
Q.1 Generally speaking, when eating out for dinner, do you tend to select "familiar" or "adventurous" dishes?



Q.3 Are you interested in a calorie count on the menu, or do you prefer not to worry about such things?



Q.2 In a bar, is a maximum wait of 12 minutes for your food acceptable if you know it's being freshly cooked?



Q.4 If you book a table online would you prefer an email confirmation or have someone call you?

