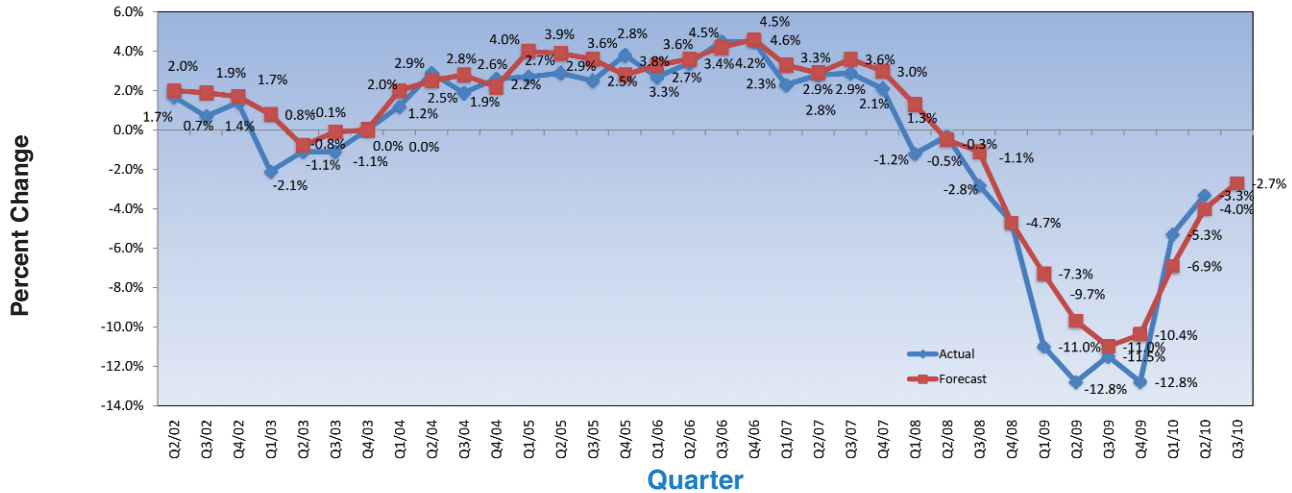


**MAFSI Business Barometer Trend Graph**  
*The industry's most definitive non-food sales/trend indicator*  
**Overall Sales Per Quarter**



**MAFSI Business Barometer Reports Second Quarter Contraction Less Severe**  
*Reps expect third quarter to improve but still at -2.7%*

Overall sales for Q2/10 contracted by -3.3%, which was less severe than the past three quarter contractions of -5.3%, -12.8%, and -11.5% respectively.

Although the marketplace has still not turned positive, the numbers are improving. Nevertheless, this marked the tenth consecutive quarter of negative growth and fourteenth quarter of the current slowdown. *Foodservice Equipment Reports* estimates that from peak to trough, the market contracted 21% from \$9.1 billion in 2007 to \$7.2 billion in 2010

By geography, overall sales ranged from -5.1% in the West, -4.9% in the South, -3.8% in the Midwest, and -2.4% in the Northeast. Once again, Canada showed growth of 2.2%.

By product category, equipment was down by -4.5% (versus -7.5% last quarter), tabletop was down -1.5%, furnishings was down -0.4%, while supplies grew by 0.4%. Once again, we see that smallwares is improving while equipment still lags.

Reps are predicting less contraction this next quarter with an expected performance of -2.7% for Q3/10. It would appear that we are still a couple of quarters away from true growth as only 40% of reps report that they are quoting more work and only 23% see more consultant activity.

Fed chairman Bernanke recently described the economic outlook as "unusually uncertain." With the unemployment ranks at 14.6 million, a significant recovery remains doubtful. In fact, the National Restaurant Association's (NRA) restaurant performance index has now declined for three consecutive months. As is usually the case, some segments are healthier than others, led by schools, universities and healthcare while B&I, casinos, and country clubs lag.

Compiled and written by Michael R. Posternak

**MAFSI Business Confidence Index for 3rd Quarter 2010**

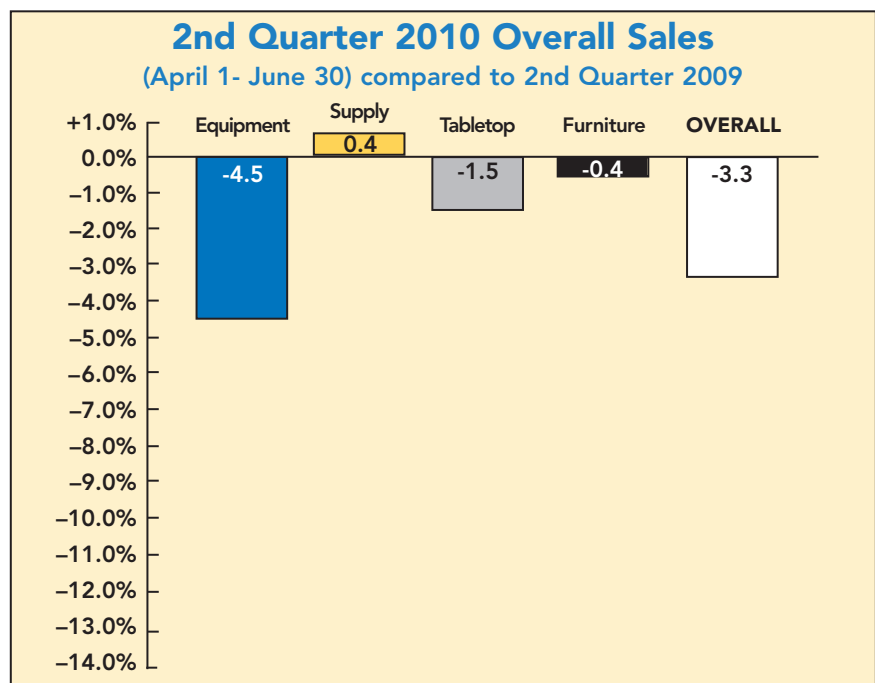
July 1 - Sept. 30 compared to 2nd Quarter 2009

ALL REGIONS  
**-2.7%**

**MAFSI Business Confidence Index for 2010**

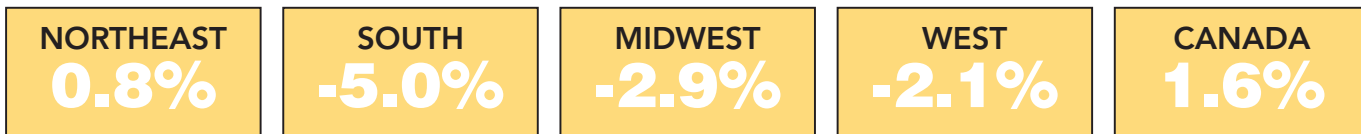
Compared to 2009

OVERALL  
**-3.9%**



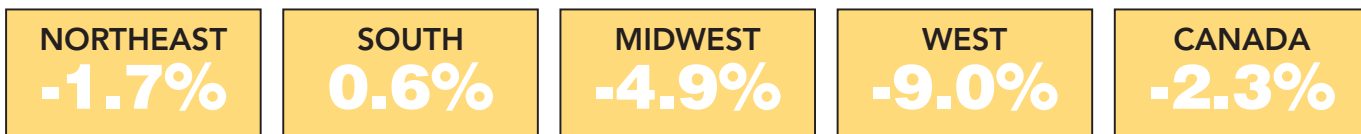
### Projected 3rd Quarter 2010 Sales

July 1 - Sept. 30 compared to 3rd Quarter 2009

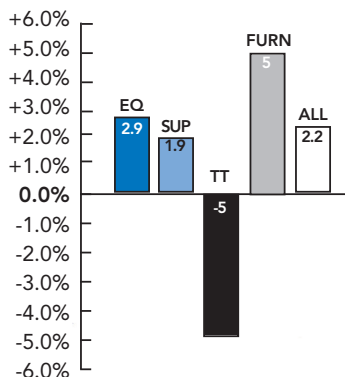


### Projected 2010 Overall Sales Forecast

(Compared to Overall Sales for 2009)



#### CANADA



### 2nd Quarter 2010 Sales

(July 1 - Sept. 30) compared to 2nd Quarter 2009

