

E.T.S.A. Textile Rental Market Survey 2007

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A. INTRODUCTION

Further to the 2005 survey, this report will provide updated results in calendar year 2007.

The results of this study will update estimates of the total European textile rental market per product and per geographical area.

As previously stated, this study is intended to provide updated benchmarking information necessary to follow the textile rental market development.

The updated results will also increase the communication capacity of the association and reinforce its image in order to promote the sector's common interests. They will be used as a lobbying tool when contacting the European authorities in view of enhancing the credibility of the textile rental industry. Policy makers are indeed not yet fully aware of the sector's importance as a key European industry in terms of business size, growth potential, variety in products and employment capacity.

B. SURVEY METHODOLOGY

As in the past, the survey was conducted among the E.T.S.A. textile rental members.

A questionnaire in the form of a one-page table was dispatched by the E.T.S.A. secretariat to the E.T.S.A. members, the National Associations and selected suppliers requiring information on the total textile rental market in Europe in 2007 and 2005 (in € millions) by country and by product type.

The addressees were asked to complete the table and to send back the filled-in questionnaire to EMMC by e-mail.

Estimated total European Textile Rental Market in 2007 and 2005

The market estimates are based on weighted averages of data collected. Preference in terms of reliability of the data collected was given to information given on domestic markets and segment / product leadership.

These estimates of total market were regrouped as follows:

a) Per product type (see product definitions in Appendix 1):

- Workwear garments
- Healthcare and nursing homes / elderly care
- Hotels and restaurants flat linen & kitchen staff garments
- Washroom services
- Dust control mats and mops
- Wipers and other rental products

b) Per geographical area:

- Area 1 Germany, Austria and Switzerland
- Area 2 France, Spain, Italy, Portugal, Greece
- Area 3 United Kingdom and Ireland
- Area 4 Scandinavia, Finland, Benelux countries
- Area 5 Newly joined EU countries

C. SURVEY RESULTS

1. Estimated Total European Textile Rental Market in 2007 and 2005

(See table in appendix 2 and pie charts in appendices 3 and 4)

The total European textile rental market size in 2007 was estimated at € 9.889 millions and showed an increase of 7% over 2005.

Summary tables as per above-defined per product and per geographical area:

a) Summary Table 1 per product type (€ millions):

	<u>Workwear</u>	<u>Healthcare and Nursing homes</u>	<u>Hotels and restaurants</u>	<u>Washroom services</u>	<u>Dust control mats, mops, Wipers, etc</u>	<u>Total</u>
2007	3,488 (34%)	2,027 (20%)	2,236 (22%)	1,304 (15%)	834 (9%)	9,889 (100%)
2005	3,240 (35%)	1,993 (21%)	2,026 (22%)	1,235 (14%)	776 (8%)	9,270 (100%)
Increase 2007/2005:	+8%	+2%	+10%	+6%	+7%	+7%

b) Summary Table 2 per geographical area (€ millions):

	<u>Area 1</u>	<u>Area 2</u>	<u>Area 3</u>	<u>Area 4</u>	<u>Area 5</u>	<u>Total</u>
2007	2,932 (30%)	3,003 (30%)	1,720 (18%)	2,014 (20%)	220 (2%)	<u>9,889</u> (100%)
2005	2,682	2,845	1,670	1,904	169	<u>9,270</u>
Increase 2007/2005:	+9%	+6%	+3%	+6%	---	+7%

Area 1 includes estimates on Germany, Austria and Switzerland.

Area 2 includes estimates on France, Italy, Spain, Portugal and Greece.

Area 3 includes rough updated estimates on United Kingdom and Ireland. Although rough, the estimates for the UK are, however, broadly in line with TSA.

Area 4 includes estimates on Scandinavia, Finland and the Benelux countries.

Area 5 includes the newly joined EU countries.

D. RECOMMENDATIONS FOR FUTURE STUDIES

1. Our survey methodology is judged to be efficient in collecting the required data to carry out an effective and basic overview of the textile rental industry in Europe. It, however, should be improved regarding the data to be collected from small markets such as Portugal, Greece and newly joined EU countries to achieve a more reliable estimate of product & area market segments.
2. In this respect, more information from National Associations and suppliers would further enlarge our scope of the European market. This information would, of course, also be used with the same confidentiality guarantee as that received from the E.T.S.A. members.
3. As in the previous survey, this study does not address the issue of potential market size including a larger scope of products and services. We, however, continue to believe that an attempt to define and estimate the size of such an enlarged service market would further define new business.
4. Opportunities and help shape a better quality image of the textile rental industry as a whole.

F. Jansen, marketing management consultant EMMC.



Appendix 1

PRODUCT DEFINITIONS

The textile rental products reported in this survey are defined as follows:

Workwear:

- Includes industrial and services workwear
- Excludes garments worn in healthcare and nursing homes
- Excludes garments worn by hotel and restaurant kitchen staff
- Excludes protective equipment such as helmets, goggles, shoes, ... etc

Healthcare and nursing homes / Elderly care:

- Includes staff and patients' garments
- Includes (flat) linen
- Includes all surgical textiles (coverings, drapes and gowns)

Hotels and restaurants:

- Includes (flat) linen
- Includes kitchen and staff garments
- Excludes dry-cleaning

Washroom services:

- Includes textile towels and other washroom products and services such as soap dispensers, feminine hygiene, toilet paper, air fresheners
- Excludes paper towels and hot air drying

Dust control mats and mops:

- Includes dust control mats and cleaning mops

Wipers and others:

- Includes wipers and other miscellaneous textile rental products

Appendix 2

ESTIMATED TOTAL EUROPEAN TEXTILE RENTAL MARKET IN 2007

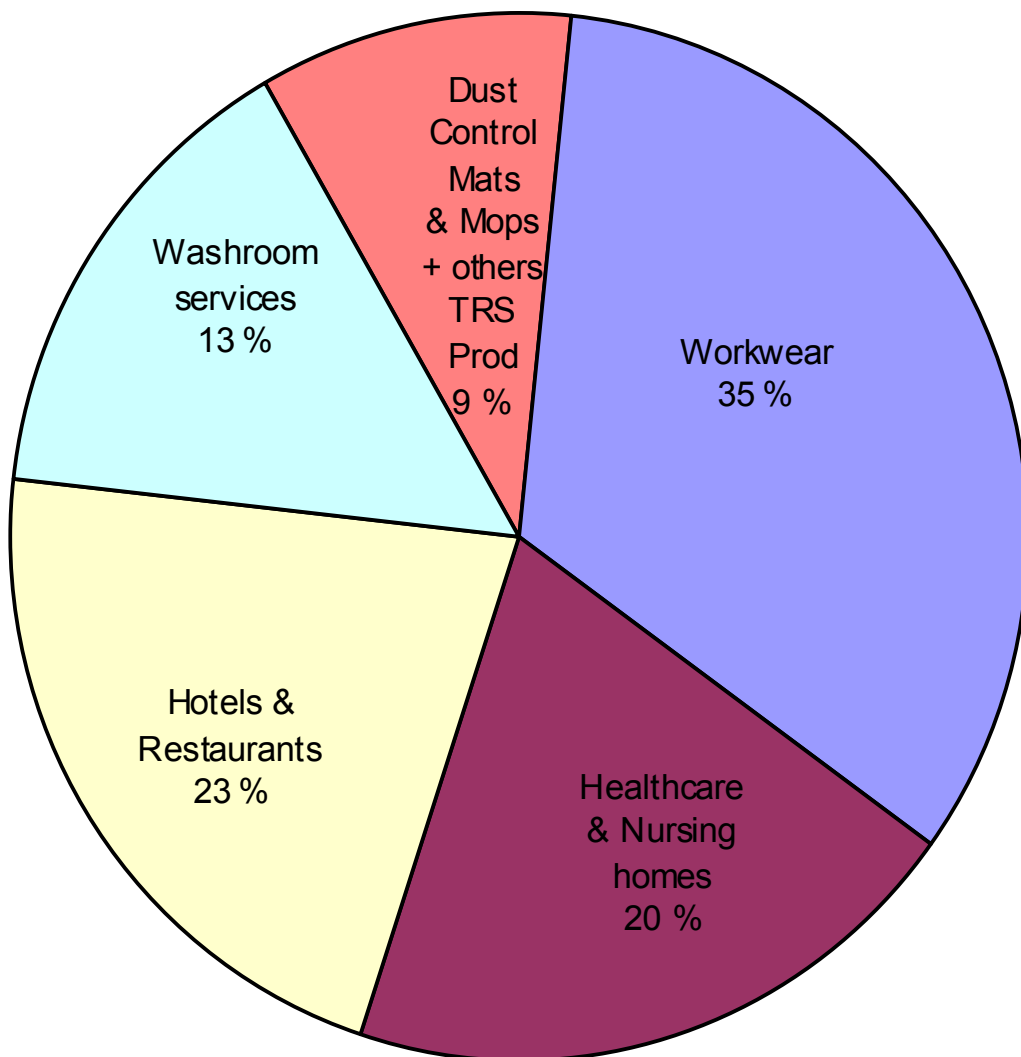
By Geographical Area & Product

	Total Turnover	Workwear garments	Healthcare & nursing homes	Hotels & restaurants	Washroom services	Dust control mats & mops Wipers & others
Area 1						
2007	2,932	1,182	697	558	279	216
2005	2,682	1,072	685	472	257	196
Progress %	9	10	2	18	9	10
Area 2						
2007	3,003	970	470	830	525	208
2005	2,845	920	445	790	500	190
Progress %	6	5	6	5	5	9
Area 3						
2007	1,720	565	350	400	260	145
2005	1,670	550	340	360	250	170
Progress %	3	3	3	11	4	-15
Area 4						
2007	2,014	621	510	445	228	210
2005	1,904	578	523	402	220	181
Progress %	6	7	-2	11	4	16
Area 5						
2007	220	150	NA	3	12	55
2005	169	120	NA	2	8	39
Progress %	30	25			50	41
Total market						
2007	9,889	3,488	2,027	2,236	1,304	834
2005	9,270	3,240	1,993	2,026	1,235	776
Progress %	7	8	2	10	6	7

Area 1 Germany, Austria, Switzerland
Area 2 France, Italy, Spain, Portugal, Greece
Area 3 UK, Ireland
Area 4 Benelux, Scandinavia, Finland
Area 5 Newly jointed EU countries

ESTIMATED TOTAL EUROPEAN MARKET SIZE PER PRODUCT
(€ millions)

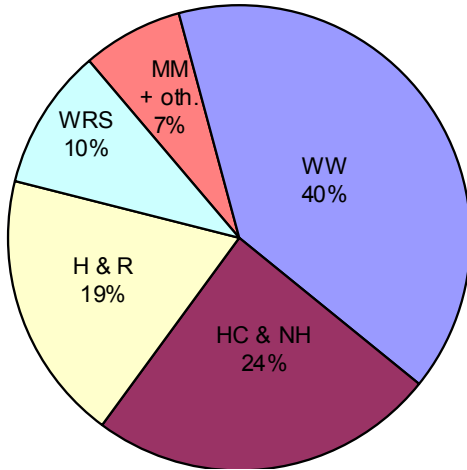
TOTAL : € 9,889 million



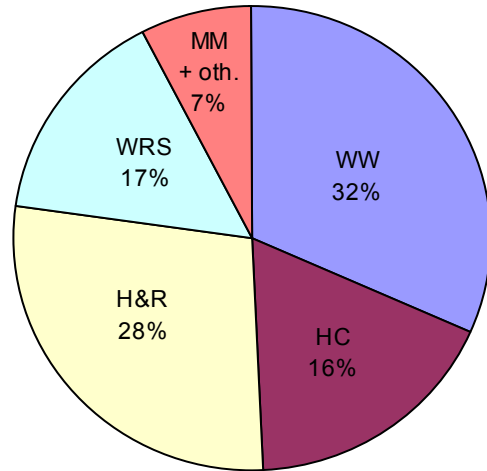
ESTIMATED TOTAL MARKET SIZE PER AREA / PER PRODUCT

(€ millions)

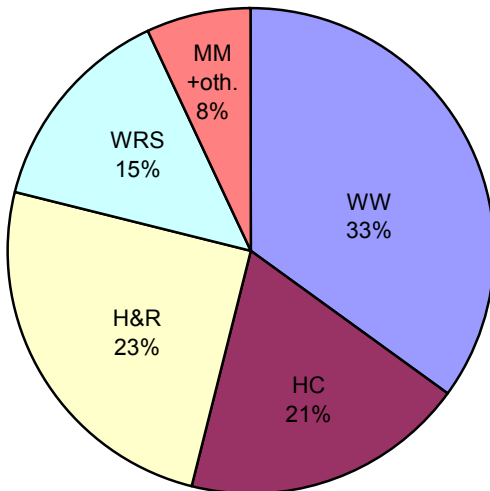
Area 1 = 2,932 (30%)
Germany + Austria + Switzerland



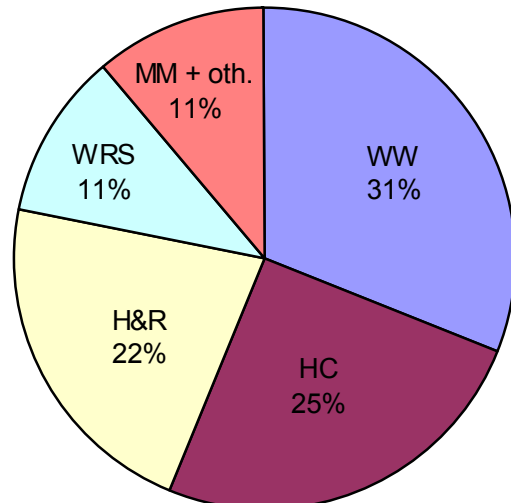
Area 2 = 3,003 (30%)
France + Italy + Spain + Port.+ Greece



Area 3 = 1,720 (17%)
United Kingdom + Ireland



Area 4 = 2,014 (20%)
Scandinavia + Finland + Benelux



WW : Workwear
 HC : Healthcare & nursing homes
 H & R : Hotels & Restaurants
 WRS : Washroom services
 MM + others : Dust control mats & mops + other textile rental services