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PRESS RELEASE

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Household Textiles Market – UK 2010-2014

New AMA report provides a major review of the UK Household Textiles Market

"The supply structure for household textiles is very fragmented reflecting a wide range of companies specialising in niche sectors. Distribution of household textiles is also fragmented, with Internet-based retailers gaining share at the expense of traditional outlets, though Department / Variety stores still account for over 30% of the market''.

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an extended summary or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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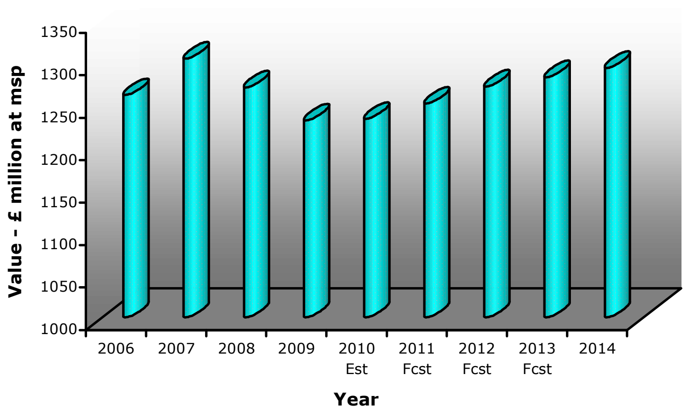
HOUSEHOLD TEXTILES MARKET UK 2010-2014

UK Household Textiles Market 2006-2014 - by Value (£m at MSP)



The household textiles market - comprising the key sectors of **bed linen**, **filled products**, **bathroom textiles and table linen & kitchen towelling -** is mature and relies largely on replacement purchases. In 2010, these sectors are forecast to be worth over £1.2 billion, after experiencing estimated annual falls of around 3% in 2008 and 2009 as a result of the downturn in the housing market and significant drop in consumer spending. Prior to that, growth to 2007 was moderate, but reasonably consistent, reflecting the maturity of most product sectors and buoyed by the relatively strong housing market and high levels of household spending.

Market conditions began to decline in 2008, reflecting the downturn in the wider global and UK economies, a volatile housing market, and rising demands and insecurities in terms of household income.

Market value has also been affected by rising competition, particularly as a result of the major grocery multiples developing their operations in non-food household goods and offering household textile ranges at significantly lower price points. This factor, combined with heavy discounting by retailers trying to boost volume sales in a declining market, has also affected market value.

Bed linen currently accounts for around 42% of the total household textiles market, **filled products** for 33%, **bathroom textiles** for 21% and **table linen and kitchen towelling** for 4%. The relative stability of the product mix reflects the overall maturity of the market, as well as the effects of the downturn, which have affected all product sectors.

International trade in household textiles accounts for a significant part of the UK market. In 2009, imports totalled £829 million and exports £118 million, leaving a significant negative trade balance of over £700 million.

Prices, which have been falling throughout the downturn as suppliers competed for sales, are likely to rise as a result of the increase in cotton and other raw material costs, and with margins already very low it seems likely that cost increases will inevitably be passed on to consumers, which may also dampen sales. Sales will also be affected by the rise in VAT, scheduled for the start of 2011.

In terms of supply, imports are likely to continue to gain share, though Sterling's decline over the last 2 years has helped protect UK manufacturers to some extent. As a result, the supply structure is very fragmented reflecting a wide range of companies specialising in niche sectors. Distribution of household textiles is also fragmented, with Internet-based retailers gaining share at the expense of traditional outlets, though Department / Variety stores still account for over 30% of the market.

Growth is expected to be relatively flat in 2010, continuing at a modest 1 to 2% per annum to 2014, when the market is forecast to be worth around £1300m.

AMA Research's report "**Household Textiles Market – UK 2010-2014**" is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.