The background of the slide is a composite image. It features a semi-transparent globe in the center, showing the continents. To the right of the globe, there is a tall, modern skyscraper with a blue facade. The entire scene is set against a background of vibrant green grass, which is slightly out of focus in the foreground.

Market Monitoring for the Pest Management Service Industry

Pilot Study: SPAIN 2012

(Logo InfraLive)
ANECPLA?)

Logos (CEPA /

Market Insights

Pilot study at ANECPLA, Spain

Key findings of the expert workshop in Madrid

- The Spanish Pest Management industry is on the rise: the market volume is expected to grow to 221 million Euros by 2015 at a CAGR of 4.1 per cent.
- Two thirds of the market revenues occur in the area of General Pest Management services: Insect control, Disinfection and Rat Extermination.
- The Pest Management labour market is expected to grow by eleven per cent within the next three years to 6,600 employees.
- Two thirds of the revenues of the Spanish Pest Management Industry come from the private sector; one third is generated by public institutions.

On 24 May 2012 six representatives of big Spanish Pest Management companies (focus group) and three managers of major biocide manufacturers (reference group) met in the offices of ANECPLA in Madrid, with the objective to generate key figures on the Spanish market.

A joint agreement was established concerning the mutual disclosure of 10 "Need-to-have" and another 10 "Nice-to-have" market indicators ("Levels of Privacy").

All participants agreed that a high degree of transparency about the company data provided would increase the validity of the respective market data. Fact-based discussions on the various key indicators improved the understanding of the challenges for the participants. In comparison with desk research findings, the results of a questionnaire survey among all participants and a feedback session for the validation of individual data and estimates show a coherent image of the Spanish Pest Management market.

Since 2009, the Spanish Pest Management market is stagnant at a high level of around 200 million euros with a slight tendency towards negative deflections.

After 2012, the industry crisis can be overcome, and the growth rates are expected to increase each year so that a market volume of more than 221 million euros will be reached by 2015.

The need for Pest Management will grow as a result of increasing globalization and urbanization. Pollution and environmental degradation will increase. The trend towards preventive and biological pesticides will initiate additional market growth.

Market size and annual growth rate

Positive outlook

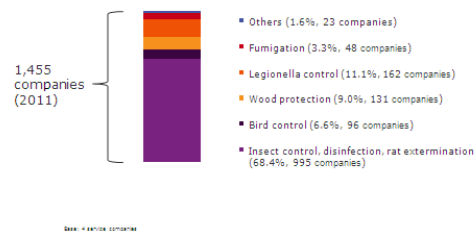


infra live

Market Monitoring for the pest control industry: Spain
CPR General Assembly, Brussels, 05 July 2012

Artem Spain 25

Number of companies by segments (areas of activity)
More than two thirds of the market is general Pest Management



infra live

Market Monitoring for the Pest Management Industry: Spain
CPR General Assembly, Brussels, 05 July 2012

Artem Spain 26

The number of Pest Management companies in Spain, confirmed by the ROESB (Registro Oficial de Servicios y Establecimientos Biocidas) amounted to 1,455 in 2011. Everything points to some consolidation in the market in the years to come, at the expense of small and micro enterprises. Their share in the market today amounts to more than 90 per cent. The experts expect a market share loss of at least five percentage points by 2015.

In 2011, two third of the revenues occur in the area of Insect control, Disinfection and Rat Extermination. The second largest group, representing 11.7 per cent of all activities, is the field of Legionella control, followed by Wood control, with a share of 9.0 per cent. The strongest market growth in the coming years is expected in the segment of Legionella control; the CAGR (compound annual growth rate) will be 4.3 per cent from 2011 until 2015. The segment of Bird control is expected to increase by 3.1 per cent every year until 2015.

After a slight decline of the labor market in the Pest Management industry in 2011, the experts anticipate an increasing number of jobs for this and future years. Today's job market of approximately 6,000 employees is expected to grow by eleven per cent within the next three years. The per capita revenue per employee in the industry amounts to around 33,000 Euros. The annual income of a Pest Management Service technician is estimated at an average of 19,500 Euros.

Number of employees 2008-2015
Growth of labour market expected



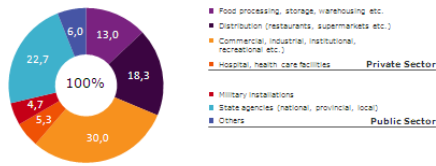
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Market Monitoring for the Pest Management Industry: Spain
CPR General Assembly, Brussels, 05 July 2012

Artem Spain 27

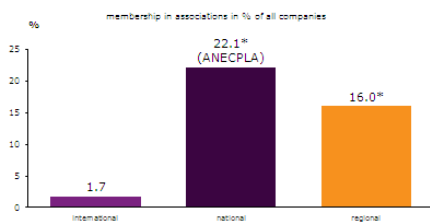
Looking at customer data pretty much two thirds of the clients of the Spanish Pest Management Industry are from the private sector; of these almost half (30,0 per cent of total sales) fall under the customer segment "commercial, industrial, institutional and recreational, including condominiums and apartment complexes". The remaining third of sales is generated by public institutions. The largest group in this segment (22.7 per cent of total sales) is made up of national, provincial and local state agencies.

Customer segments
Shares by revenues 2011



According to official data 16.0 per cent of all Spanish Pest Management companies are a member of one of the various regional industry associations and 22.1 per cent of the Spanish National Pest Management Association, ANECPLA. The experts' opinion, however, differs. Their figures indicate that 29.5 per cent of companies are members of a regional association whereas 35.3 per cent of companies are members of a national association. The experts also assume that an additional 1.7 per cent of Spanish companies in the Pest Management industry are members of an international organization.

Membership in associations
Only one of five companies member in an industry association



The Spanish experts regard future market development and market potential as very positive:

Make Competitive Intelligence the Key to your Market

The success of the method 'InfoShare', is based on **five key components**:

- In-depth **desk research** data ensures that the key players in the market participate in this multi-client approach.
- Co-operation: Key players gather to discuss on key figures (“**need to have**”) and on further indicators (“**nice to have**”) in the market from their points of view.

the Pest Management industry has a significant impact on public health. The experts hope that people and politicians will become aware of this fact.

The proportion of biocides compared with alternative, e.g. physical methods is currently at about 90 per cent. A trend towards sustainable and environmentally sound means can be observed. The legal restrictions associated with biocides are considered to be reasonable in order to minimize the health risks of biocidal misuse.

InfoShare

- The key players agree jointly on the **Levels of Privacy** for the respective key figures and indicators to determine which information should be disclosed to each participant at what degree of confidentiality.
- InfraLive as “third party benchmark consultant” collects individual information and estimations from the participants through a **survey**.
- All results can be verified through an **iterative process** in which the results

– especially significant deviations - of the previous round are returned to the experts for new evaluation.

The "**CEPA European data collection project**" is an ideal area for the use of the research tool 'InfoShare': The European national markets are highly fragmented; current market data are only available to a limited extent.

In order to increase market transparency, 'InfoShare' is very suitable as a **qualitative approach for the measurement of quantitative issues**.

The knowledge gained in a core target group (**focus group**) can be verified or modified by the results of a **reference group**. The **national associations** are important intermediaries and aggregators.



(Logo InfraLive)
ANECPLA?)

The assignment of 'InfoShare' offers participants **five key benefits**:

- Reliable and up-to-date information is available which cannot be provided in this in-depth quality from any other secondary resource or expert.
- By integrating time series and historical data market developments over the time can be tracked. Forecasts will also be possible.
- Once this process has been set up, all participants, e.g. the national associations as well as their key players have an excellent on-going competition and market monitoring tool.
- Workload between national associations and InfraLive can be divided. This helps offering an interesting price for the method.
- The use of 'InfoShare' for comparison of several national markets creates synergies in the research process and a consistent and valid data base.

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