

MONARCH ECO™ TOWEL INCREASES LAUNDRY PRODUCTIVITY
&
LOWERS UTILITY COST PER OCCUPIED ROOM

FOR



THE INVERNESS

CASE STUDY

October 6, 2010

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MONARCH ECO™ towel lowers utility cost per occupied room by 32.75%, increases laundry productivity and reduced consumption of natural resources, saving Inverness Hotel money and time.

Inverness hotels part of Destination Hotels and Resorts replaced their conventional terry towels with the MONARCH ECO™ towels, lowering dry times, energy use and utility cost per occupied room. This resulted from faster drying, reduced poundage and improved productivity. The transition in effect would result in conserving over 285,000 gallons of water and a carbon footprint reduction of over 85,000 pounds of green house gases annually.

ABOUT THE INVERNESS HOTEL

The Inverness Hotel, a Destination hotel property is a Four-Diamond resort hotel with 302 rooms, conference center, golf course, spa, fitness center and restaurants. The In-house laundry processes over 1.2 million pounds of linens and is equipped with 4 nos of 135 Lbs washer extractors , 1 no 35 Lbs washer extractor, and matching 4 Driers. The laundry is also equipped with Flat ironer and towel folding machine.

INVERNESS HOTEL LAUNDERING PROCESS

The Inverness hotel was using a conventional cotton towel of the specs listed below

| TOWEL | Lbs/Doz | PAR |
|------------|-------------|-----|
| Bath towel | 14 Lbs/Doz | 926 |
| Hand towel | 4.5 Lbs/Doz | 607 |
| Wash towel | 1.5 Lbs/Doz | 717 |
| Bath Mat | 9.1 Lbs/Doz | 358 |
| Bath Sheet | 21 Lbs/doz | 113 |

Soiled towels are first segregated and 135 Lbs of soiled towels are loaded into the washer, which has a 35 minute wash formula. After extraction, the washed towels are then split into 2 loads that are then taken to the drier. Each load of these conventional towels took 40 minutes to dry at 190°. The dried towels are then folded in a folding machine.

| Room Linen | % Share of Total Lbs of Room linen |
|------------------------|------------------------------------|
| Towels | 47.61% |
| Sheets | 32.46% |
| Blankets/Bedspreads | 12.44% |
| Colored Uniforms (50%) | 2.95% |
| Shower Curtains | 2.07% |
| Housekeeping Rags | 2.48% |

THE CASE FOR EVALUATING GREEN SAVINGS AND PRODUCTIVITY

As the fourth largest independent hospitality management company in the country, Destination hotels are committed to creating a new benchmark for their hotels and resorts through a series of environmental initiatives. Monarch ECO towels were implemented in The Inverness, to evaluate the economical benefits and the green benefits of the towel.

As a part of this study to measure gas, electricity and water usage, Destination management agreed to fix meters and record the utility consumption and processing volumes for 5 months. Based on the study, it came to light that the laundry processed 12.47 Lbs of rooms linen per occupied room. Of these, 47.61% or 5.94 Lbs/occupied room were Towels. The utility consumption was recorded and in a 5 month period the average consumption of utilities per pound were

| Utilities | Usage per pound |
|--|------------------|
| Gas | 0.023 Therms/lbs |
| Electricity | 0.201 Kwh/lbs |
| Water | 2.07 Gallons/lbs |
| Chemicals | \$0.042/lbs |
| Total Utility cost/Lbs | \$0.0859/Lbs |
| Weight of Terry towel laundered per occupied room | 5.94 Lbs |
| Utility Cost per Occupied Room for laundering terry towels | \$0.51 |

After benchmarking their consumption and usage, MONARCH ECO towels were rolled out in all the 302 rooms of The Inverness and the utility consumption and usage were recorded for a month.

| MONARCH ECO™ | Lbs/Doz | PAR |
|--------------|---------------|-----|
| Bath towel | 11.5 Lbs/Doz | 926 |
| Hand towel | 4.1 Lbs/Doz | 607 |
| Wash towel | 1.44 Lbs/Doz | 717 |
| Bath Mat | 7.78 Lbs/Doz | 358 |
| Bath Sheet | 19.15 Lbs/doz | 113 |

After the changeover, the same laundry procedure followed for earlier towels were followed for the Monarch Eco towels. But now, the laundry saw a substantial reduction in towel drying time. A load of MONARCH ECO towels dried in 27 minutes as against the normal towel drying in 40 minutes. The laundry recorded a reduction of 13 minutes of drying time in every load or a 32.5% increase in drying efficiency. After the changeover the average weight of soiled towels per occupied room reduced to 4.15 Lbs from 5.94 Lbs of earlier towel. This considerably reduced the number of towel Wash and Dry loads.

Since the MONARCH ECO towels dried 32.5% faster than conventional towels, it lowered the utility cost per pound. The utility cost (for gas, electricity, water and chemicals) for towels reduced to \$0.0826, a 3.86% reduction in utility cost per pound.

| UTILITY COST | |
|--|--------------|
| Utility cost/Lbs for MONARCH ECO towels | \$0.0826/Lbs |
| Weight of towels laundered per occupied room | 4.15 Lbs |
| Utility Cost per Occupied Room for laundering MONARCH ECO towels | \$0.34 |

COMPARING UTILITY COSTS AND ESTIMATING UTILITY SAVINGS PER OCCUPIED TOOM

| | CONVENTIONAL TOWEL | MONARCH ECO™ |
|--|--------------------|--------------|
| Utility cost/Lbs | \$0.0859/Lbs | \$0.0826/Lbs |
| Savings in Utility cost/lbs because of faster drying feature | NA | 3.86% |
| Weight of towels laundered per occupied room | 5.94 Lbs | 4.15 Lbs |
| Utility Cost per Occupied Room | \$0.51 | \$0.34 |
| Utility Savings per occupied room | NA | \$0.17 |
| Estimated annual savings in utility cost @70% occupancy | NA | \$12,889.65 |

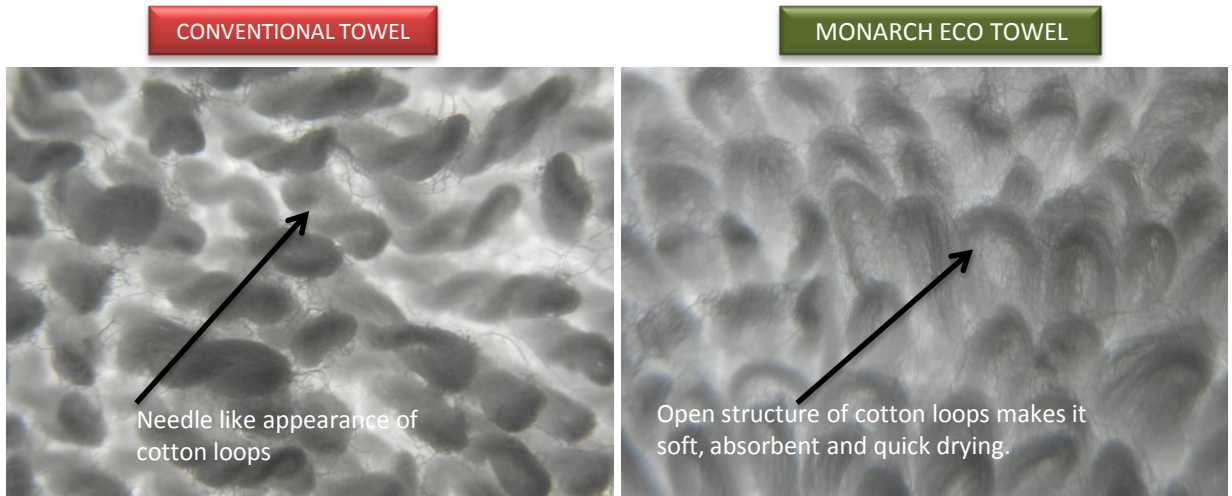
ESTIMATING GREEN SAVINGS

By switching over to MONARCH ECO towels, Inverness reduced the number of wash loads and drying time. This directly results in conserving water, energy , time and other natural resources. By extrapolating the results, the annual Green savings for the Inverness is estimated below.

| NATURAL RESOURCE CONSERVATION | UNITS | % SAVINGS |
|------------------------------------|-----------------|-----------------------|
| Water | 285,266 gallons | 14.31% savings |
| Gas | 3,706 Therms | 17.02% savings |
| Electricity | 27,657 kWh | 14.31% savings |
| Green House gas reduction per year | | 85,798 lbs of CO2 ↓ |
| Equivalent to Inverness planting | | 10.64 acres of forest |

INCREASED CUSTOMER SATISFACTION

MONARCH ECO towels are exceptionally soft and Highly absorbent compared to the Normal towels. The towels lint less and are snag free. Though the MONARCH ECO towels are lighter than the earlier conventional towels, they feel more plush and luxurious than the normal towels. The towels look whiter and Brighter than the conventional towels.



Since changeover to MONARCH ECO, The Inverness has received positive feedback from its customers.

SUMMARY

Based on meter readings and usage pattern, The Inverness Hotel estimate that they are savings about \$13,000 annually on utility costs, have reduced their water and energy consumption, reduced their carbon foot print and enhanced their Guest satisfaction with MONARCH ECO towels.

**Testimonial for Monarch Eco Towels
By Destination Hotels & Resorts
October 2010**

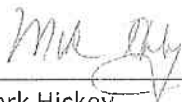
Destination Hotels & Resorts is dedicated to practices and programs that pay respect to and lessen their footprint on our changing environment through the Destination Earth program. Monarch Robe and Towel Company is dedicated to bringing select products to the hospitality market which fulfill the definition of sustainability.

Destination Hotels & Resorts agreed with Monarch Robe and Towel Company to jointly conduct a comprehensive laundry test at Destination's Inverness Hotel and Conference Center in Englewood, Colorado during the summer months of 2010. Test procedures were compiled and agreed to by both The Inverness Hotel and Monarch Company engineers. Towels used for all 302 rooms at The Inverness Hotel were supplied by Monarch by the textile mill Sharadha in India. Test towels were from Monarch's Eco Towel Collection and are constructed from best, all-Long Staple 100% cotton.

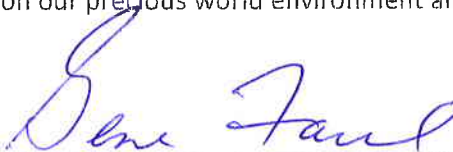
In producing the Monarch Eco Towels, the mill in India follows sound environmentally favorable practices to lessen the impact on the environment. The Inverness laundry test was conducted to provide clear evidence that Monarch Eco Towels could provide meaningful and measurable savings in water consumption and energy usage. In addition, the level of comfort offered to the property's guests though Monarch's Eco Towels was a strategic priority.

The management of both Destination and Monarch are very pleased to announce that the test resulted in meaningful savings in both water and energy and fulfilled Destination's goal of following sound environmentally friendly practices. As an added bonus, the Monarch Eco Towels provided a high degree of guest satisfaction versus towels previously used at The Inverness Hotel.

Both Destination and Monarch welcome any inquiries regarding this very positive test. Coupled with Destination's in-place guest towel re-use program, everyone involved feels that together we are able to make a significant and positive impact on our precious world environment and improved the guest experience in the process.



Mark Hickey
Senior Vice President, Hospitality Operations
Destination Hotels & Resorts



Gene Faul
CEO
Monarch Hotel Division



George Fischer
Vice President, Managing Director
The Inverness Hotel and Conference Center