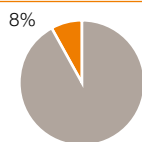


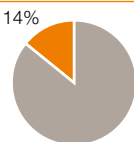
Consumer Durables Asia/Pacific

Southeast Asia is a particularly important growth region for Electrolux. The innovative products the Group has developed to meet the region's particular needs have resulted in substantial growth, high profitability and expanded market shares.

Share of sales 2010



Share of operating income 2010



Operating income improved considerably due to changes in exchange rates and improved cost efficiency. The operations in Southeast Asia continued to show favorable growth and profitability.

The market

In 2010, the market for household appliances in the Asia/Pacific region was worth approximately SEK 375 billion, of which the Chinese market is the largest at about SEK 180 billion. The Australian household-appliances market accounted for SEK 19 billion, which was slightly lower from the preceding year.

Demand for household appliances increased substantially in Southeast Asia and China during the year. Growth derived primarily from the low-price segment, largely due to improved living standards. The region's rapidly growing middle-class segment has led to increased demand for such products as air-conditioning equipment and washing machines. In 2010, the market for household appliances grew by more than 10% in China, Vietnam, Thailand, Singapore, Indonesia and the Philippines. Built-in kitchen products represent a rapidly-growing segment in Southeast Asia. The entire region is undergoing rapid urbanization.

The region has no clear market leader for household appliances. Electrolux is the market leader in Australia. Haier and Midea are the largest producers in China accounting for approximately 22% and 13% of the market, respectively, followed by a raft of local and international producers with relatively small market shares. Southeast Asian consumers find European brands appealing, but their market shares are still small.

Retailers

There is no region-wide retail chain. However, the trend is for increased consolidation of retailers. In Australia, five large retail chains account for approximately 90% of the market.

Most household appliances in Southeast Asia are sold in small, local stores. However, in urban areas, a large proportion of appliances is sold through department stores, superstores and retail chains. The Chinese market is dominated by two large domestic chains, Gome and Suning, which specialize in electronics, and only a few international chains have as yet established operations in China.

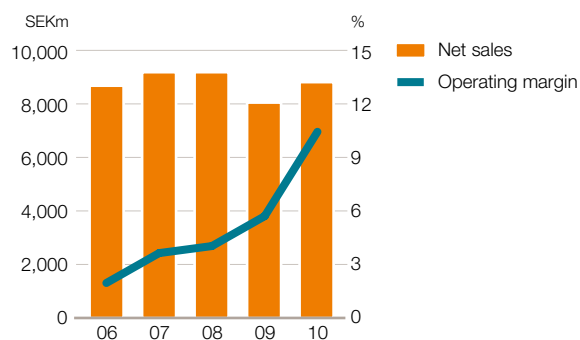
The Group's position

Approximately 70% of Electrolux sales of household appliances in the Asia/Pacific region is in Australia, where the Group is the market leader. The Electrolux brand is positioned in the premium-price segment and focuses on innovation and design as well as energy- and water-efficiency. The Group's Westinghouse and Simpson brands have strong positions in the mass-market segment.

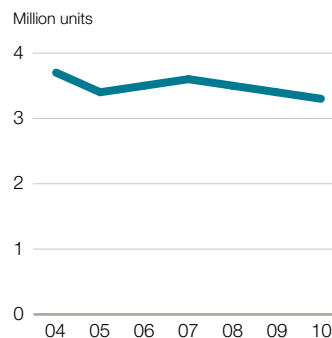
Electrolux is a very strong brand in Southeast Asia, which is an important growth area for the Group. The innovative products developed by the Group to meet the specific needs of the region in terms of temperature, humidity and food culture, have generated strong growth, high profitability and increasing market shares. Among other initiatives, Electrolux has launched, with great success, built-in products for kitchens that are specifically adapted to suit the needs of Asian consumers. Electrolux increased its sales of vacuum cleaners significantly in 2010. Sales of vacuum cleaners are conducted via household-appliances retailers and other channels.

In China, Electrolux implemented structural measures and repositioned the product offering – actions that have begun to yield results.

Net sales and operating margin



Shipments of core appliances in Australia



Market demand for appliances in Australia declined during 2010, compared to the previous year.

ASIA/PACIFIC

The Electrolux Ebony Kitchen Collection, which was launched in Australia in 2009, stands head and shoulders above the rest. The black, high-gloss appliances with stainless steel handles integrate well with dark woods or in striking contrast to other white or stainless-steel kitchen appliances. All appliances have been equipped with the latest technology, including induction. The Electrolux Ebony Kitchen Collection has attracted much attention at kitchen fairs and in fashion publications.



Air-conditioning

Sales of air-conditioning equipment have made a strong impact on the positive development of Electrolux in the region. The brand is important when choosing an air-conditioner. In 2010, Electrolux launched new models that consume 20–30% less energy than conventional models. The market for air-conditioning equipment in Southeast Asia is almost as large as the one for refrigerators. Consumer insight – the majority of inhabitants in large Asian cities would find life without air-conditioning unbearable.

Market shares in Australia

42% core appliances
21% floor-care products



Growth

Electrolux cordless vacuum cleaner Ergorapido continues to contribute to sales growth in several markets. The latest is Japan, where Ergorapido was introduced in 2010.



Markets and competitors

CORE APPLIANCES

Major markets

- Australia
- Southeast Asia
- China

Major competitors

- Fischer & Paykel
- Samsung
- LG
- Haier

VACUUM CLEANERS

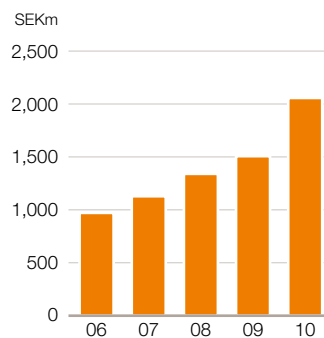
Major markets

- Australia
- South Korea
- Southeast Asia
- Japan

Major competitors

- Samsung
- LG
- Dyson

Sales in Southeast Asia



Sales in Southeast Asia continued to show good growth. This is in line with Electrolux strategy to grow in emerging markets.