

Floor-care products and small appliances

Demand is increasing for green vacuum cleaners. Electrolux has developed energy-efficient models manufactured from recycled material. In autumn 2010, a completely new series of green vacuum cleaners was launched in Europe.

Consumer trends

The trends for floor-care products have been largely unchanged in recent years. Consumers prefer user-friendly vacuum cleaners that feature powerful suction and low levels of noise. The growing number of small households is generating a greater need for compact, efficient vacuum cleaners with an aesthetically pleasing design that enables them to be left on show. A growing trend is to have more than one vacuum cleaner in the home. One cordless – often battery powered – smaller vacuum cleaner for daily and isolated use and one larger more powerful model for use when the entire home is to be vacuumed.

Although energy labeling has yet to start for vacuum cleaners, demand is growing for energy-efficient products.

The market

Vacuum cleaners are products that can be transported long distances as the transport cost per item is relatively low. Globalization of the vacuum-cleaner industry has thus progressed further than for kitchen and laundry products, and the majority of vacuum cleaners are currently manufactured in low-cost areas. Although the latest economic downturn resulted in downward price pressure in Western markets, the strongest growth in the last decade has been in vacuum cleaners with innovative functions at higher prices. Attractively designed, rechargeable, handheld vacuum cleaners have displayed substantial growth. The market for bagless vacuum cleaners has also grown. In emerging markets, demand is driven by rising income levels and more stringent hygiene standards.

Electrolux floor-care products

Market position

Electrolux is one of the leading producers of floor-care products in the world and one of few with a global distribution network. The category in focus is innovative, energy-efficient vacuum cleaners in the premium segment. The largest markets are North America and

Europe. All Electrolux vacuum cleaners are manufactured in low-cost countries. Although there are regional variations in the design of vacuum cleaners, their functions are equally important the world over. As one of the only global producers of vacuum cleaners, Electrolux can focus on global product development.

Brands

The Eureka brand accounts for the largest proportion of the Group's vacuum cleaner sales in North America. More innovative and exclusive vacuum cleaners are sold under the Electrolux brand. The Electrolux brand dominates the European market and is supplemented by brands including Volta, Tornado, Progress and Zanussi in the lower price segments. In Asia and Latin America, all Group vacuum cleaners are sold under the Electrolux brand.

Innovations

Electrolux continues to innovate and develop products with attractive design for which consumers are prepared to pay a premium.

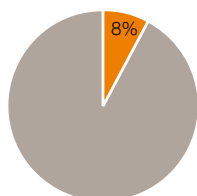
Electrolux UltraOne, which features a powerful motor combined with a low noise level and energy efficiency, has proven to be a winning concept. Since its launch in 2009, the vacuum cleaner has, in no less than ten independent tests in various markets worldwide, been named the market's best vacuum cleaner.

At 68 dB, the Electrolux UltraSilencer is the quietest vacuum cleaner in the market due to its patent-pending Silent Air Technology. The noise level is only one tenth of the noise level of an average vacuum cleaner.

Small household appliances

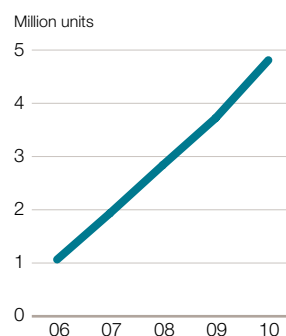
Small household appliances comprise a growing market segment that includes several product categories. In this segment, Electrolux focuses on growth for kitchen and laundry articles with a global range of products in the coffee machine, toaster, food processor and iron categories.

Floor-care products, share of Group sales



Sales of floor-care products account for 8% of Group sales. Small appliances, such as toasters, coffee machines and irons, account for approximately 10% of sales within floor-care operations.

Accumulated sales volumes of cleaner Electrolux Ergorapido



The cordless, rechargeable, handheld Electrolux Ergorapido vacuum cleaner has been a great success with close to 5 million units sold around the world since its launch in 2004. New versions are continually being launched and in 2010 Ergorapido was introduced in Japan.