







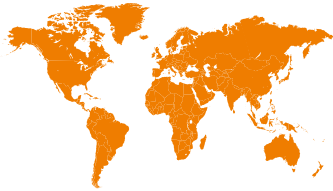
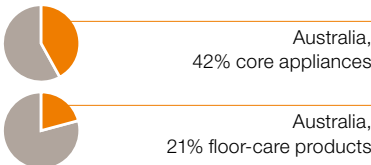
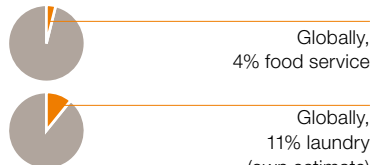
The World of Electrolux

CONSUMER DURABLES

Customer needs and functional preferences for products are becoming increasingly global. However, there are structural differences between the markets in which Electrolux operates. What distinguishes these markets, and what is driving growth? What does Electrolux focus on?

	EUROPE, MIDDLE EAST AND AFRICA	NORTH AMERICA
		
Value of appliances market, SEK billion	205	180
Market characteristics	<ul style="list-style-type: none"> • Complex market with different brands in different countries with different consumer patterns. • Low level of consolidation among manufacturers. 	<ul style="list-style-type: none"> • Similar consumer patterns across the market. • High level of consolidation among producers and retailers.
Share of Electrolux sales	38%	
Drivers	<ul style="list-style-type: none"> • Replacement. • New housing and renovations. • Design. • Energy- and water-efficient products. • Improved household purchasing power in Eastern Europe. 	<ul style="list-style-type: none"> • Replacement. • New housing and renovations. • Design. • Energy- and water-efficient products.
Market growth	<ul style="list-style-type: none"> • Total demand in the European markets stabilized in 2010 and increased by 2%, after more than two years of decline. 	<ul style="list-style-type: none"> • The demand increased by 5%. The growth derives from a very low level after more than three years of decline.
Distribution channels	<ul style="list-style-type: none"> • Many small, local and independent retailers. • Growing share of sales through kitchen specialists. 	<ul style="list-style-type: none"> • High level of consolidation among retailers. • Kitchen specialists such as those in Europe account for only a small share of the market. • The four largest retailers account for 60% of the market.
Electrolux organic growth strategy	<ul style="list-style-type: none"> • Grow in specific categories, e.g., built-in products. • Grow in specific markets, particularly in Eastern Europe. • Promote water- and energy-efficient products. • Expand product offering. 	<ul style="list-style-type: none"> • Gain a strong, long-term position in the profitable premium segment. • Channel expansion. • Expand product offering. • Promote water- and energy-efficient products.
Electrolux market share	 <p>16% core appliances</p> <p>14% floor-care products</p>	 <p>21% core appliances</p> <p>18% floor-care products</p>
Major competitors	<ul style="list-style-type: none"> • Appliances Bosch-Siemens, Indesit, Whirlpool. • Vacuum cleaners Dyson, Miele, Bosch-Siemens, TTI Group. 	<ul style="list-style-type: none"> • Appliances Whirlpool, General Electric, LG, Samsung. • Vacuum cleaners TTI Group (Dirt Devil, Vax and Hoover), Dyson, Bissel.

PROFESSIONAL PRODUCTS

LATIN AMERICA	ASIA/PACIFIC	PROFESSIONAL PRODUCTS
		
93	375	136
<ul style="list-style-type: none"> Majority of production is domestic due to high import tariffs and logistic costs. Relatively high level of consolidation among producers. 	<ul style="list-style-type: none"> No clear market leader in the region. Southeast Asian consumers find European brands appealing, but their market shares are still small. 	<ul style="list-style-type: none"> Food service Half of all equipment is sold in North America. The European market is dominated by many small independent restaurants. Laundry Five largest producers represent approximately 55% of the global market.
32%	16%	8%
<ul style="list-style-type: none"> Improved household purchasing power. Growing middle class. 	<ul style="list-style-type: none"> Asia Improved household purchasing power. Growing middle class. Australia Replacement, new housing and renovations. Design. Water-efficient products. 	<ul style="list-style-type: none"> Food service Energy- and water-efficient products. US restaurant chains expanding. Laundry Replacement. Energy- and water-efficient products. Growing population.
<ul style="list-style-type: none"> Strong growth in demand. 	<ul style="list-style-type: none"> Market demand for appliances in Australia declined. Market demand in Southeast Asia and China showed a considerable increase. 	<ul style="list-style-type: none"> Demand is estimated to have increased somewhat.
<ul style="list-style-type: none"> Relatively high level of consolidation among retailers. The three largest producers in Brazil accounted for approximately 75% of household appliances sales. 	<ul style="list-style-type: none"> Asia Majority of sales through small, local stores. In urban areas, a large proportion of appliances is sold through department stores, superstores and retail chains. Australia Five large retail chains account for approximately 90% of the market. 	<ul style="list-style-type: none"> Food service High consolidation of dealers in North America. Fragmented market in Europe. Laundry Great proportion of direct sales although the trend is towards a growing share of sales through dealers.
<ul style="list-style-type: none"> Grow in markets outside Brazil, such as Argentina and Mexico. Strengthen the position in the premium segment in Brazil. Expand product offering. 	<ul style="list-style-type: none"> Grow in the premium segment. Promote water- and energy-efficient products. Grow in Southeast Asia. Expand product offering. 	<ul style="list-style-type: none"> Food service Promote energy- and water-efficient products. Tailor products for fast-food chains. Laundry Promote energy- and water-efficient products.
2nd largest producer of appliances in Brazil, and largest in vacuum cleaners.	 <p>Australia, 42% core appliances</p> <p>Australia, 21% floor-care products</p>	 <p>Globally, 4% food service</p> <p>Globally, 11% laundry (own estimate)</p>
<ul style="list-style-type: none"> Appliances Whirlpool, Mabe. Vacuum cleaners SEB Group, Whirlpool, Black&Decker, Philips. 	<ul style="list-style-type: none"> Appliances Fischer & Paykel, Samsung, LG, Haier. Vacuum cleaners Samsung, LG, Dyson. 	<ul style="list-style-type: none"> Food service Rational Manitowoc/ Enodis, Middleby, Ali Group. Laundry Alliance, Primus, Girbau, Miele.