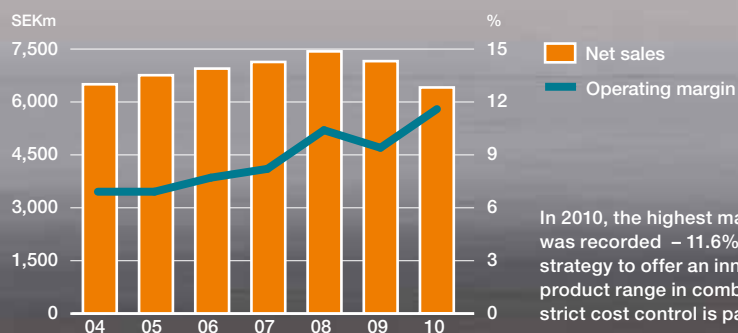


A profitable transformation of Professional Products

During the 1990s, Professional Products also included Husqvarna. Operations were diversified, unprofitable and lacked a clear market strategy. The business was in desperate need of streamlining and from 1999 to 2003, a raft of measures were implemented. Unprofitable areas were divested, the product portfolio was consolidated and production efficiency was enhanced with own-manufactured products at the core. A customer-oriented organization structure was implemented concurrent with the consolidation of the number of distribution channels. The number of brands was dramatically reduced and resources allocated to product development with the aim of creating innovative and market-leading solutions. Profitability has steadily increased and in 2010, the highest operating margin ever was recorded – 11.6%.

- 1** Investments in product development and concentration of product portfolio
- 2** Increased efficiency within production, marketing and sales organization
- 3** Focus on Electrolux as a global premium brand
- 4** Development of a global service network

A profitable transformation



AIR-O-STEAM



The air-o-steam Touchline combi-oven guarantees a simple and intuitive way of preparing food in all kinds of professional kitchens, from industrial kitchens to the most prominent restaurants.

1 High pace of innovation ...

The product portfolio has been successively concentrated with a relatively large proportion of net sales invested in product development to maintain a high rate of innovation to meet customer needs and to keep ahead of the competition. Professional Products has control of approximately 200 exclusive patents and has innovative laboratories and dedicated design departments that ensure that the products manufactured exceed customer expectations.

2 ... improved cost efficiency ...

Production has been made progressively more efficient and the proportion of own-manufactured products has increased. The marketing and sales organization has been adapted to customer needs in the various markets.

3 ... focus on Electrolux as a global premium brand ...

From consisting of a number of local brands with ambiguous target groups, the business has been refocused as a global brand with an extremely strong and clear identity. Electrolux is the only operator in professional products that provides complete solutions for professional kitchens and laundries. Many of the chefs in the Guide Michelin use kitchen equipment supplied by Electrolux.



Thinking of you Electrolux



Green solutions ...

Sustainability is an important driving force for development in professional kitchens and laundries. Electrolux has designed innovative product solutions that reduce the consumption of resources and result in lower wear. The most energy-efficient products are sold under the Green Spirit denomination.



4 ... and a global service network ...

Products sold to professional users are subject to extreme wear and tear, and inoperative appliances cost our customers money. Electrolux has developed a global service network in more than 100 countries, which constitutes an important competitive advantage.

... has generated a record-high operating margin.

Streamlining, increasing efficiency and investments in marketing and product development have increased the operating margin from 6.9% in 2004 to 11.6% in 2010. The next step is to focus on profitable growth through sales to new markets and new customer groups.

... and innovations provide mutual benefit.

Innovations in Professional Products have facilitated the development of new products for Consumer Durables. A strong global premium brand in Consumer Durables promotes the sales of products bearing the same brand in Professional Products. In addition, both benefit from strong consumer trends, including the need for more efficient products, the growing level of interest in preparing food and the increasing desire for open-plan kitchens.