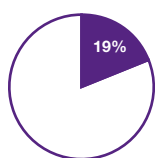


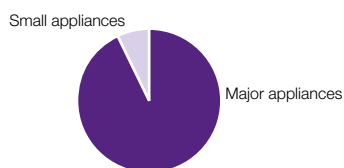
Latin America – penetration increasing rapidly

From having built up a profitable and sizeable operation in Brazil over a short period of time, Electrolux is now advancing with its growth strategy in other markets in the region. The acquisition of the Chilean appliances manufacturer CTI has afforded Electrolux a market-leading position in key product categories in Chile and Argentina.

Share of Group sales 2011



Share of sales in the region 2011



Latin America is a highly urbanized region for a growth market and displays a relatively high rate of expansion in terms of purchasing power and number of households. Brazil represents about 40% of the Latin American market for appliances. Other major markets include Mexico and Argentina. Growth in the region is driven by rising purchasing power of households, which primarily demand more basic cookers, refrigerators and washing machines. The rapidly emerging middle class in, for example, Brazil and Argentina has also resulted in higher demand for products in the premium segments. In 2011, the market in Brazil was characterized by a certain degree of price pressure and mix deterioration as a result of rapid consolidation among retailers.

Consolidated market

The Latin American market is relatively consolidated. In Brazil, the three largest manufacturers account for about 70% of sales of appliances. As a result of high import duties and logistical costs, the bulk of products sold in Latin America are produced domestically. The trend of consolidation has also been strong among retailers in the region. In Brazil, three of the largest domestic retailers – Casas Bahia, Globex and Pão de açúcar – merged in 2010. The new company, Grupo Pão de açúcar, has a dominant position in the market. Sales of household products are often conducted through campaigns and purchasing decisions are made in stores where a large part of the manufacturers have their own sales staff in place.

The Group's position

Brazil is the largest market in Latin America for Electrolux and the Group is the second-largest manufacturer of appliances in the country. The Electrolux brand holds a strong position in all segments thanks to innovative products and close cooperation with the market-leading retail chains. The acquisition of the Chilean appliances manufacturer CTI has strengthened Electrolux leading position in the region and makes Electrolux the market leader for core appliances and small domestic appliances in Chile and the largest manufacturer of refrigerators, freezers and washing machines in Argentina. In the vacuum-cleaner segment, Electrolux has long held a leading position in the region. The Group has also established a fast-expanding business in the small appliances segment.

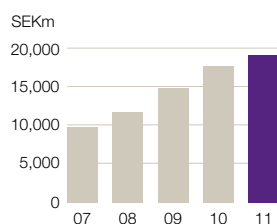
Acquisition for growth

CTI was established back in 1905 and currently employs 2,200 people in Chile and Argentina. Manufacturing ranges from refrigerators, freezers, washing machines, cookers and ovens to tumble-dryers and heat pumps. The company has established strong relationships with retailers in Chile and Argentina and has extensive distribution and a well-structured aftermarket business. Electrolux is planning further investments in production capacity and distribution with the aim of expanding activities to other Latin American countries.

Fast-growing product categories

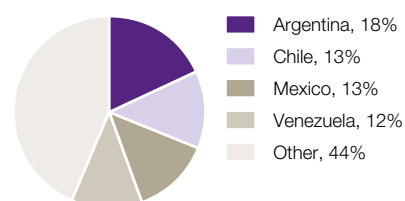
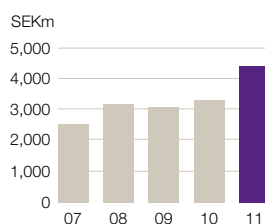
The market for washing machines is demonstrating immense growth potential as purchasing power and demands for energy and water efficiency increase in the region. Electrolux continuously launches new products adapted to varying needs in the segment, such as the innovative Ultra Clean washing machine in Brazil, see page 39.

Net sales in Latin America



Net sales in Latin America have increased over the years due a strong product offering and market growth. The acquisition 2011 of CTI in Chile will positively impact sales going forward.

Net sales in Latin America, excl. Brazil



Electrolux total sales of consumer durables and professional products.



Quick facts Latin America 2010

Population: 589 million
 Average number of persons per household: 3.7
 Urban population: 79 %
Significant market: Brazil
 GDP per capita 2010: USD 10,700
 GDP growth 2010: 7.5 %
 Sources: World Bank and Electrolux estimates.

Small domestic appliances

Sales of small domestic appliances, such as coffee-makers, toasters and irons, under the Electrolux brand are growing rapidly in the region. Electrolux is continuously launching new products in the segment and is today one of the strongest brands in Brazil of such products as coffee-makers and irons. The acquired appliances company CTI has extensive operations within small domestic appliances in Chile under the Somela brand.



Electrolux market shares
 41% floor care

70% Consumer preference

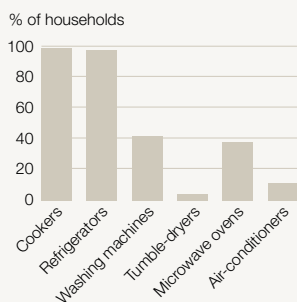
The Brazilian operations have been pioneering within the Group in terms of developing products based on consumer insight. At least 70% of a consumer test-group has to express a preference for the product compared to similar alternatives in the market before launching. The premium refrigerator Infinity i-Kitchen with a touch screen panel achieved 95% consumer preference.



Acquisition of CTI

With the acquisition of the Chilean appliances manufacturer CTI, Electrolux has strengthened its leading position in the region. CTI holds the number one position within core appliances and small domestic appliances in Chile and has a leading position in Argentina through its subsidiaries.

Product penetration in Brazil



Source: Electrolux estimates.

Markets and competitors

Core appliances

- Major markets
- Brazil
 - Chile
 - Argentina
 - Mexico

- Major competitors
- Whirlpool
 - Mabe

Floor care

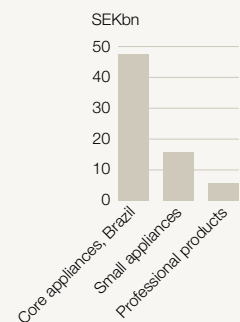
- Major markets
- Brazil
 - Mexico
 - Argentina
 - Venezuela

- Major competitors
- SEB Group
 - Whirlpool
 - Black & Decker
 - Philips

Professional products

- Major competitors
- ITW
 - Fagor
 - Girbau
 - Alliance

Market value



Source: Electrolux estimates.