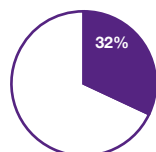


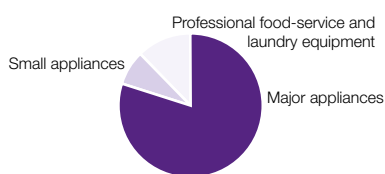
Western Europe – a fragmented market

Western Europe is the Group's largest market for consumer durables and products for professional users. Electrolux focuses on growth through the launch of new, innovative appliances in the premium segments. Built-in appliances is a priority area.

Share of Group sales 2011



Share of sales in the region 2011



The market in Western Europe is dominated by replacement products as a result of high penetration in most product categories and low or stagnated population growth. Meanwhile, an increase in the number of households due to a rising share of older people combined with the small living spaces in most homes, has led to higher demand for compact and user-friendly products. Therefore, the market for built-in appliances is a growing segment in Europe.

In 2011, deliveries of core appliances amounted to about 52 million units, down by 12% on the record year of 2006. The sharp deceleration in primarily Southern Europe had a negative impact on development. The market remained subject to price pressure and intensified competition from Asian manufacturers, among others.

A fragmented market

Europe is a complex market. Many countries and language areas have resulted in widely varying consumer patterns and the establishment of a large number of manufacturers, brands and retailers for appliances. The low degree of consolidation among manufacturers is one reason for overcapacity and price pressure in the industry. The European market features many small, local and independent retail chains that focus on electrical and electronic products as well as kitchen interiors. Kitchen specialists currently account for approximately 25% of sales of household appliances in Western Europe. The corresponding figure for Germany and Italy is approximately 40%.

The market for professional kitchens is characterized by the presence of many manufacturers who often specialize in only one product category. Conversely, the market for professional laundry equipment is served by fewer players able to supply a larger product portfolio.

The Group's position

Electrolux is the only producer in the market that can provide solutions for both consumers and professional users of kitchen appliances and laundry products. In recent years, the Group has further strengthened its position in the built-in segment for core appliances, mainly in the German market. In 2010 and 2011, the Group launched new built-in products in the premium segment under the AEG brand. In 2012, the Group will move forward with the launch of an entirely new range of built-in products under the Electrolux brand.

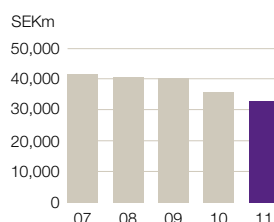
For professional users, Electrolux has a strong position with independent restaurants and institutions.

Electrolux is one of the leading producers of floor-care products in the world and one of few with a global distribution network. The Electrolux brand dominates the Group's sales in Europe, one of the Group's largest markets.

Fast-growing product categories

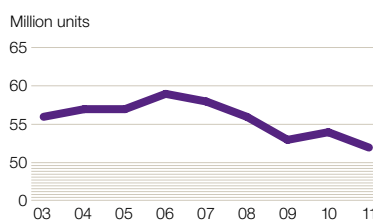
The market for built-in appliances continues to show growth and interest is strong in energy- and water-efficient appliances. Dishwashers comprise a fast-growing segment in the region. Electrolux manufactures dishwashers designed and adapted for all types of kitchens and households. In 2011, the Group launched new, innovative and water-efficient dishwashers under the AEG brand. Attractively designed, rechargeable and instant vacuum cleaners displayed substantial growth. The market for bagless vacuum cleaners also grew.

Net sales in Western Europe



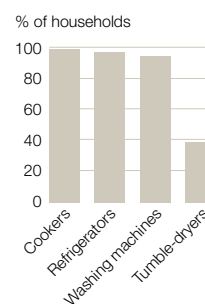
Net sales in Western Europe have been impacted by the slowdown in market demand.

Shipments of core appliances in Western Europe



A total of approximately 52 million core appliances were sold in Western Europe in 2011, a decline by 3% compared with 2010.

Product penetration



Source: Electrolux estimates.

Consumer brands



Professional brands



Quick facts Western Europe 2010

Population: 414 million
 Average number of persons per household: 2.3
 Urban population: 77 %
Significant market: European Union
 GDP per capita 2010: USD 32,300
 GDP growth 2010: 2.0 %
 Sources: World Bank and Electrolux estimates.

Electrolux market shares

16% core appliances
 14% floor care
 9% professional food-service equipment
 22% professional laundry equipment

Built-in kitchen commonplace



In 2010 and 2011, the Group launched an entirely new range of built-in products in the premium segment under the AEG brand in several markets in Northern and Central Europe. A number of the new products have been recognized by the market and awarded various design prizes, including the IF Design Award and the Reddot Design Award.

Working hand-in-hand

Electrolux is the only supplier offering a complete range of high-performance products for professional kitchens and laundries under the same brand. Electrolux Professional solutions are frequently used under the same roof, working "hand-in-hand" in hotels and in hospitals, for instance. Europe is the largest market for Electrolux. Approximately 75% of Group sales of kitchen equipment and 65% of laundry equipment are sold in Europe.



Markets and competitors

Core appliances

Major markets
 • Germany
 • France
 • Italy
 • UK

Major competitors
 • Bosch-Siemens
 • Indesit
 • Whirlpool

Floor care

Major markets
 • Germany
 • France
 • Nordics

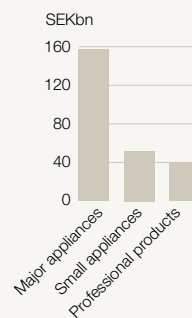
Major competitors
 • Dyson
 • Miele
 • Bosch-Siemens
 • Samsung

Professional products

Major markets
 • Italy
 • Sweden
 • France
 • Germany

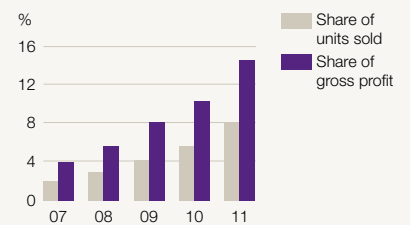
Major competitors
 • Ali Group
 • Rational
 • Primus

Market value



Source: Electrolux estimates.

Green Range in Europe



Green Range, products with the best environmental performance, accounted for approximately 8% (6) of total units sold within Major Appliances in Europe in 2011 and approximately 15% (10) of gross profit. Criteria for inclusion in the Green Range have been raised.