

# Australia, New Zealand and Japan Innovative products drive sales

*Electrolux is focusing on launching products adapted to the differing conditions of households in the region. In Australia, new, large cookers and refrigerators were launched during the year. In Japan and South Korea, sales successes are continuing for Electrolux Ergorapido rechargeable handheld vacuum cleaners.*

**Share of Group sales 2012**

6%

**Share of sales in the region 2012**

Professional food-service and laundry equipment  
Major appliances  
Small appliances

**Electrolux market shares in Australia**

39% core appliances  
18% floor care

**Consumer brands**

**Professional brand**

The majority of Australians live on the East Coast and both the population and the number of households are on the rise. The degree of penetration is high in most product categories and demand is driven primarily by interest in design, innovation and the environment. In 2012, the market remained characterized by price pressure brought on by a strong Australian dollar, making imported products increasingly competitive. Japan is the world's third-largest single market for household appliances. Growth is driven by such factors as innovations developed for small living spaces.

**Consolidated markets**

In Australia, competition between manufacturers of appliances from Asia and Europe is intense. Electrolux is the largest company followed by Fischer & Paykel and South Korean companies Samsung and LG Electronics. The retailer market is dominated by five major chains representing 90% of the

market. Large, domestic manufacturers and retailers such as Hitachi and Panasonic dominate the Japanese appliance market.

**Leading position in Australia**

In Australia, the Electrolux brand holds a strong position in the premium price segment for appliances with a focus on innovation, water and energy efficiency, and design. In addition, the Group's Westinghouse and Simpson brands hold significant market shares in the mass-market segment. The Kelvinator brand holds a strong position in air-conditioners and water heaters, which is a new, rapidly growing product category in the Group. A large portion of the best restaurants in Australia is equipped with professional food-service equipment from Electrolux. In New Zealand, Electrolux has captured market shares in vacuum cleaners in recent years, for example, with its green range.

In Japan and South Korea, Electrolux is a relatively small player, but over the past num-

ber of years, it has started to establish a rapidly growing business in small, compact vacuum cleaners. Japan is a large and growing market for the Group's professional products particularly for laundry products.

**Growth opportunities**

Given the hot and dry climate in Australia, many households prefer to cook food outdoors. In recent years, Electrolux has successfully launched a series of outdoor products, such as the En:tice Barbecue.

Demand in Japan and South Korea is growing for compact, user-friendly and quiet household appliances. Electrolux has positioned itself in the segment with an attractive and leading offering of vacuum cleaners in both countries. The Ergorapido rechargeable, handheld vacuum cleaner was first launched in Japan in 2010. It is now sold in a variety of versions in more than 2,100 stores in Japan.

**Net sales in Australia, New Zealand and Japan**

Year	2008	2009	2010	2011	2012
Sales	5,000	6,000	6,500	6,000	6,000

**Market demand for core appliances in Australia**

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Demand	3.25	3.75	3.4	3.5	3.6	3.4	3.4	3.4	3.4	3.3

**Growth for energy-efficient products**

Because of freshwater shortages in Australia both consumers and legislation demand energy-efficient products with low water consumption. Dishwashers and front-load washing machines are therefore fast-growing product categories, and Electrolux controls considerable shares of these markets.

Australia is the Group's main market in the region. In Japan, Electrolux is a relatively small player but has, in recent years, started to establish a rapidly growing business in small, compact vacuum cleaners.

Market demand for core appliances in Australia has weakened in recent years.



**Quick facts Australia, New Zealand and Japan**

Population: 155 million  
 Average number of persons per household: 2.5  
 Urban population: 91%

**Significant market: Japan**  
 GDP per capita 2011: USD 45,900  
 Estimated real GDP growth 2012: 1,9%

Sources: World Bank and Electrolux estimates.

## Premium products Ebony Kitchen in Australia

The Electrolux Ebony Kitchen premium range in Australia has been honored with several design awards. With a Scandinavian heritage, Electrolux combines the best global design trends with knowledge about the needs and preferences of Australian consumers.



## Brushroll Clean winner in Japan and South Korea

The Ergorapido handheld vacuum cleaner with Brushroll Clean technology from Electrolux was launched in a number of markets in 2012. The Brushroll Clean model immediately took over as the best-seller in Japan and South Korea, and was one of the factors behind the significant sales growth in these two countries in 2012.

## Water heaters – a new product category

For the first time in many years, Electrolux has ventured into an entirely new product category with major growth potential – water heaters. An extensive range of new water heaters was launched in Australia in 2012 under the Kelvinator brand. The products are adapted to the continent's variable climate and access to various energy sources. Moreover, they are cost efficient and save energy for households.

**Electrolux competitors**

**Core appliances**

- Major competitors
- Fischer & Paykel
  - Samsung
  - LG Electronics
  - Panasonic

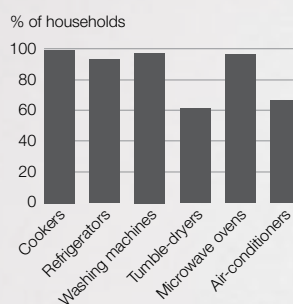
**Floor care**

- Major competitors
- Samsung
  - LG Electronics
  - Dyson

**Professional products**

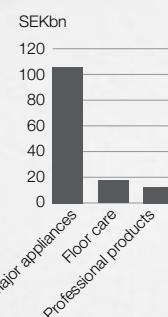
- Major competitors
- ITW
  - Hoshizaki
  - Alliance

**Product penetration in Australia**



Source: Electrolux estimates.

**Market value**



Source: Electrolux estimates.