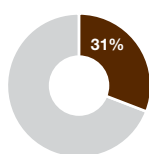


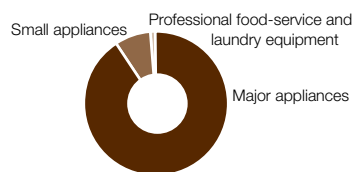
# North America Stronger position

*The market for appliances in the US declined during the year, although there were some signs of a recovery in the market following positive development in the housing market. Electrolux strengthened its position in the region and boosted sales through product launches, partnerships with new retailers and price management.*

**Share of Group sales 2012**



**Share of sales in the region 2012**



**Electrolux market shares**

22% major appliances  
16% floor care

**Consumer brands**



**Professional brand**



North America is a market with high penetration in most product categories. The average living space of households is above that of other regions, which means space is available for both many and large household appliances. The high degree of product penetration combined with relatively low population growth has resulted in replacement products dominating the market.

In 2012, deliveries of core appliances declined by 2%. The volumes remain at the same low level as in 1998 and are about 25% lower than the top levels in 2005 and 2006. Housing construction and sales of homes in the US increased somewhat during the year, which has raised expectations in the market of a turnaround in demand for appliances.

**High degree of consolidation**

The North American market is more uniform than most markets, which has led to a relatively high level of consolidation among producers and retailers. The three largest man-

ufacturers of appliances in the US account for a major part of the market and about 70% of appliances are sold via the four major retailers: Best Buy, Home Depot, Lowe's and Sears. The four largest manufacturers of vacuum cleaners represent more than 50% of the market. Vacuum cleaners are sold mainly through supermarkets, discount stores and department stores, such as Wal-Mart, Target and Sears. The degree of consolidation is also high among manufacturers and retailers of professional food-service and laundry equipment.

**Higher market shares**

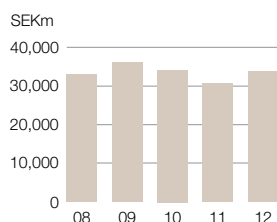
Electrolux commands a strong position in appliances and vacuum cleaners in the US and Canada. Despite a weak underlying market, Electrolux has implemented several price increases on appliances over the past two years. Underpinning these actions is a well-reasoned pricing strategy that involves the Group being more selective in relation to

its promotional activities. The Group's appliances are mainly sold under the Frigidaire brand in the mass-market segment and vacuum cleaners under the Eureka brand. The Electrolux brand is positioned in the premium segment for appliances and vacuum cleaners. The Group's professional kitchen business is still small but growing, both in traditional segments and large restaurant chains. Professional laundry equipment is sold via a distributor mainly under the Wascomat brand.

**Growth opportunities**

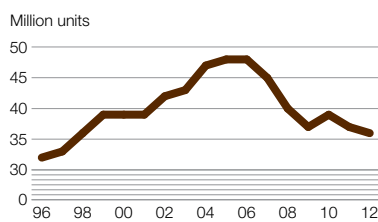
A lasting turnaround in the construction and housing sectors will result in a rise in demand for appliances. The number of small-scale establishments that serve hot food is increasing rapidly in the US. Electrolux has developed competitive solutions that meet the demands of food chains, such as efficient dishwashers and the High Speed Panini Grill.

**Net sales in North America**



Net sales in North America have been impacted by higher sales volumes and improvements in price/mix.

**Market demand for core appliances in the US**



A total of approximately 36 million core appliances were sold in the US in 2012, which corresponds to a decline of 2% compared with 2011.

**New cooker center in North America**

Electrolux is consolidating its North American cooker manufacturing and building a new manufacturing facility in Memphis, Tennessee in the US. Memphis offers an optimal geographical location in relation to customers and suppliers. Together with the existing cooking plant in Springfield, the facility in Memphis will establish Tennessee as a cooker production center for Electrolux in North America. The production plant is expected to be fully operational in the second half of 2013.

#### Quick facts North America

Population: 346 million  
Average number of persons per household: 2.6  
Urban population: 82%

#### Significant market: USA

GDP per capita 2011: USD 48,100  
Estimated real GDP growth 2012: 2.2%

Sources: World Bank and  
Electrolux estimates.



## Most effective TV campaign

Frigidaire's "History of Innovation" advertising campaign was named the most effective TV campaign during the third quarter of 2012 by the analysis company Ace Metrix. The film markets the new Orbit Clean dishwasher and Symmetry double oven.

## Home Depot stores

Electrolux has entered an agreement with the world's largest do-it-yourself chain Home Depot to sell appliances under the Electrolux and Frigidaire brands in the chain's stores. Additionally, the retailer Sears presented Electrolux with its highest Supplier Award in 2012 for the company's product innovations and efficient goods handling.



## SuctionSeal technology generates healthy growth

The SuctionSeal technology developed exclusively for Eureka concentrates the airflow in the vacuum cleaner for deep-cleaning suction power for all kinds of surfaces. The technology was launched for Eureka's Airspeed product platform in 2012.

### Electrolux major retailers and competitors

#### Core appliances

Major retailers

- Sears
- Lowe's
- Home Depot
- Best Buy

Major competitors

- Whirlpool
- General Electric
- LG Electronics
- Samsung

#### Floor care

Major retailers

- Wal-Mart
- Target
- Sears

Major competitors

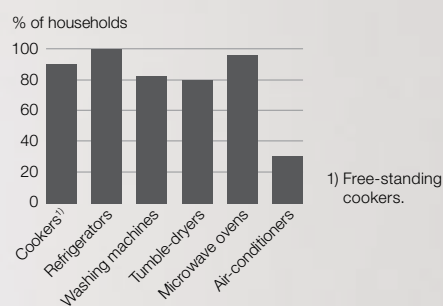
- Dyson
- TTI Group (Dirt Devil, Vax and Hoover)
- Bissel

#### Professional products

Major competitors

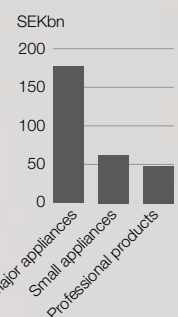
- ITW
- Manitowoc
- Alliance

### Product penetration in North America



Source: Electrolux estimates.

### Market value



Source: Electrolux estimates.