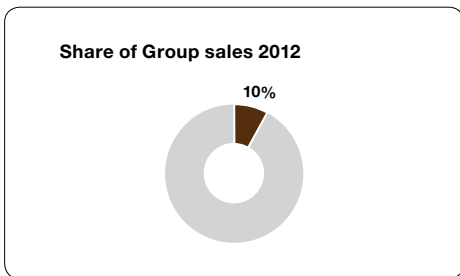


Adjacent product categories New prioritized growth areas

By leveraging the Group's global strength in such areas as product development, distribution and marketing, Electrolux can generate profitable growth in adjacent product categories, such as air-conditioning equipment and water heaters.



Adjacent product categories encompasses several areas of operation and product categories for which Electrolux has identified opportunities for profitable growth. For example, Electrolux can take advantage of existing strong product ranges and develop the market's best service and strengthen the offering of spare parts and accessories. Meanwhile, there are adjacent product categories in which Electrolux sees growth opportunities. Air-conditioning equipment and water heaters are two such product categories.

Unrealized potential for accessories

Electrolux has identified consumables and accessories as an area with unrealized market potential. In certain industries, sales of accessories account for up to 30% of the sales value of the underlying product. For appliances, the correspond-

ing figure is just a few percent. Electrolux focuses on strengthening the offering in accessories. In 2013, a new product range will be launched in Europe with a new packaging design. The range comprises such products as oven trays, hob cleaners and food probes with digital thermometer.

Large and growing market

Although the global market for air-conditioners and water heaters is the same size as the market for refrigerators and freezers, it will probably expand at a faster growth rate moving forward, driven primarily by higher demand in growth markets. Electrolux adapts its offering on the basis of different regional and local needs and has identified growth opportunities in all regions of the world.

Strong air-care offering

For air-conditioning equipment, Electrolux already holds a strong position in Brazil, the US and Australia, where the brand is among the market leaders. Electrolux is well advanced in terms of low noise levels and has a strong offering in the areas of service and installation. Aside from households, products are sold to hotels and offices and, in such cases, often together with other Electrolux products. Investments in this product category are also

taking place in markets in Europe, Asia and in other parts of Latin America. In hotter parts of the world, airconditioners are usually one of the first household appliances purchased by households when their purchasing power increases.

First products in Europe

In Europe, Electrolux has started selling air-conditioners, dehumidifiers and heat pumps under the Electrolux brand in the premium segment and under the Zanussi brand in the mass-market segment. The acquisition of Olympic Group has also provided the Group with a position in water heaters, with sales and production in Egypt and nearby regions. Air-conditioning equipment is being manufactured in Egypt under the Zanussi brand.

New products capture market shares in Asia

In Australia and Asia, new air-care products launched with a focus on such aspects as high energy efficiency have captured market shares in the various markets. Sales of air-conditioning equipment have been a key factor in the positive trend for Electrolux in the region. 2012 also marked the launch of the first products in the new water-heater category in the region.

Product offering

Air care



Water heaters



Consumables and accessories





Adjacent product categories

— a growth area for Electrolux. Oven trays, hob cleaners, timers and other accessories complement Electrolux product offering.