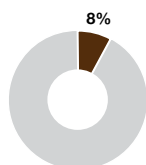


# Small appliances Broadened offering

*Electrolux is one of the largest manufacturers of vacuum cleaners and vacuum-cleaner accessories in the world and holds market-leading positions in most regions. In the small domestic appliance product category, including coffee-makers, mixers and irons, Electrolux currently has a small global market share, but is growing rapidly worldwide.*

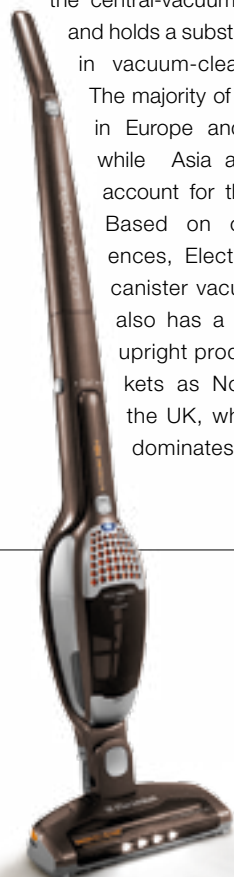
Share of Group sales 2012



should also be well-designed so that they can be left out, for instance, to meet the need for quick cleaning of small spaces in the home, such as the kitchen and hallway. Greater environmental awareness in many regions is driving demand for vacuum cleaners that use less energy and that are sustainably manufactured.

### Floor-care products

As one of the few global manufacturers of vacuum cleaners, Electrolux can focus on global product development. A special focus lies on innovative and energy-efficient vacuum cleaners in the upper-price segments. Electrolux is also market-leading in the central-vacuum cleaner segment and holds a substantial market share in vacuum-cleaner accessories. The majority of sales is generated in Europe and North America, while Asia and Latin America account for the fastest growth. Based on consumer preferences, Electrolux sells mainly canister vacuum cleaners, but also has a strong offering in upright products in such markets as North America and the UK, where this category dominates.



In Asia and Latin America, most of the Group's vacuum cleaners are sold under the Electrolux brand. The Electrolux brand also dominates in Europe, complemented by AEG in central Europe. The Volta, Tornado, Progress and Zanussi brands are focused on the lower price segments. The Eureka brand accounts for the largest proportion of the Group's vacuum-cleaner sales in North America, while more exclusive vacuum cleaners are sold under the Electrolux brand.

### Trends in floor-care products

Performance and function are still the most important factors for consumers worldwide. Consumers want vacuum cleaners that have high suction power and are ergonomic and user-friendly. Urbanization, with a growing number of small households across the world, has resulted in elevated demand for small, compact and efficient vacuum cleaners. They

### Innovations for growth

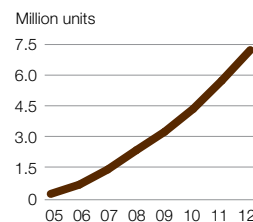
Electrolux continuously develops innovations and models with attractive designs that can be customized to a variety of segments and regional requirements. Electrolux holds a leading position in rechargeable, handheld vacuum cleaners in Europe and also has a strong position in other parts of the world where compact vacuum cleaners are in demand, such as Japan and South Korea. A new version of the segment's best seller, Electrolux Ergorapido, was launched in 2012. Additionally, a brand-new model in the segment, Electrolux Ultrapower, was launched during the year featuring longer battery life and higher performance than other similar models in the market. The Electrolux UltraOne Mini, a new canister vacuum-cleaner that is 30% smaller than the company's award-winning UltraOne vacuum cleaner while maintaining the same performance standard, was also launched. The product is aimed at small households in Europe.

Growth potential

## Ergorapido for compact living

Electrolux holds a strong position in floor care in parts of the world where compact vacuum cleaners are in demand, such as Japan and South Korea. The rechargeable, handheld vacuum cleaner Ergorapido is the Group's most sold vacuum cleaner product, with about 1.5 million units sold in 2012.

Accumulated sales volumes of Electrolux Ergorapido







## Floor care

for every-  
day life

Electrolux has a wide range  
of well-designed products  
for cleaning.



## > Small appliances

### Small domestic appliances

In global terms, the market size for small domestic appliances product category is significantly larger than the vacuum-cleaner market and displays significantly higher growth. To capitalize on these opportunities, the Group's offering in this product category has increased substantially in recent years. The major launches are in the upper-price segments, where the focus lies on distinctive design. Sales are conducted across the globe with the largest share in Europe, closely followed by Latin America, while Asia is the fastest-growing market. The offering varies according to market but the primary focus of Electrolux is on five global product groups – coffee-makers, kettles, mixers, food-processors and irons. In 2012, the Group's sales of small domestic appliances rose by 27% and over a three-year period, sales have doubled.

The Group's small domestic appliances are largely sold under the Electrolux brand. The significantly increased presence in the segment has helped strengthen the brand. In North America, products are sold under the Frigidaire brand.

### Strong product launches in Europe

In Europe, sales of coffee-makers is the fastest-growing subcategory within small domestic appliances, which in turn is growing faster than the total market for household appliances. The Favola coffee capsule machine from Electrolux, which is marketed in collaboration with Lavazza, has become a success across Europe and in parts of Africa and the Middle East. Other strong product launches include the UltramixPro stick mixer and the 5Safety premium iron.

### Broadened offering in Latin America

Latin America accounts for the largest share of small domestic appliances of all regions and is growing rapidly as the purchasing power of households increases. By leveraging the Group's strong brand and far-reaching retailer network in the region, Electrolux sales increase at a higher rate than the market. Electrolux has a strong position in the irons, coffee-makers and mixers categories and is now strengthening its offering in other categories, such as juice extractors, pressure cookers and compact ovens. Several products are locally produced and proprietary production of irons started in Argentina in 2012.



The Favola coffee espresso machine was complemented with a milk frother in 2012. It has been launched in Europe, Africa and the Middle East.

### Continued high growth in Asia

Asia is both the largest and fastest-growing market in the world for small domestic appliances. However, the needs of Asian households in terms of cooking and cleaning functions differ from most other markets. Electrolux focuses on launching strong offerings in four categories – rice cookers, mixers, compact ovens and irons – all of which hold potential for rapid growth in the region.

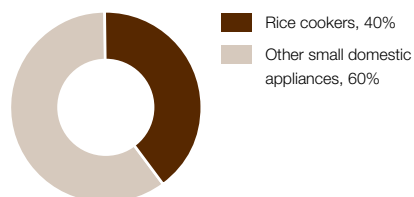


Growth potential

## Rice cookers – a new product category

The Group's sales of small domestic appliances in Southeast Asia and China grew strongly in 2012. Rice cookers comprise about 40% of the small domestic appliance market in Asia/Pacific and 18% globally.

### Rice cookers – share of the market for small domestic appliances in Asia/Pacific





**Small  
appliances**  
providing  
a great  
experience

Coffee makers, irons and mixers  
all make life easier  
and more enjoyable.