

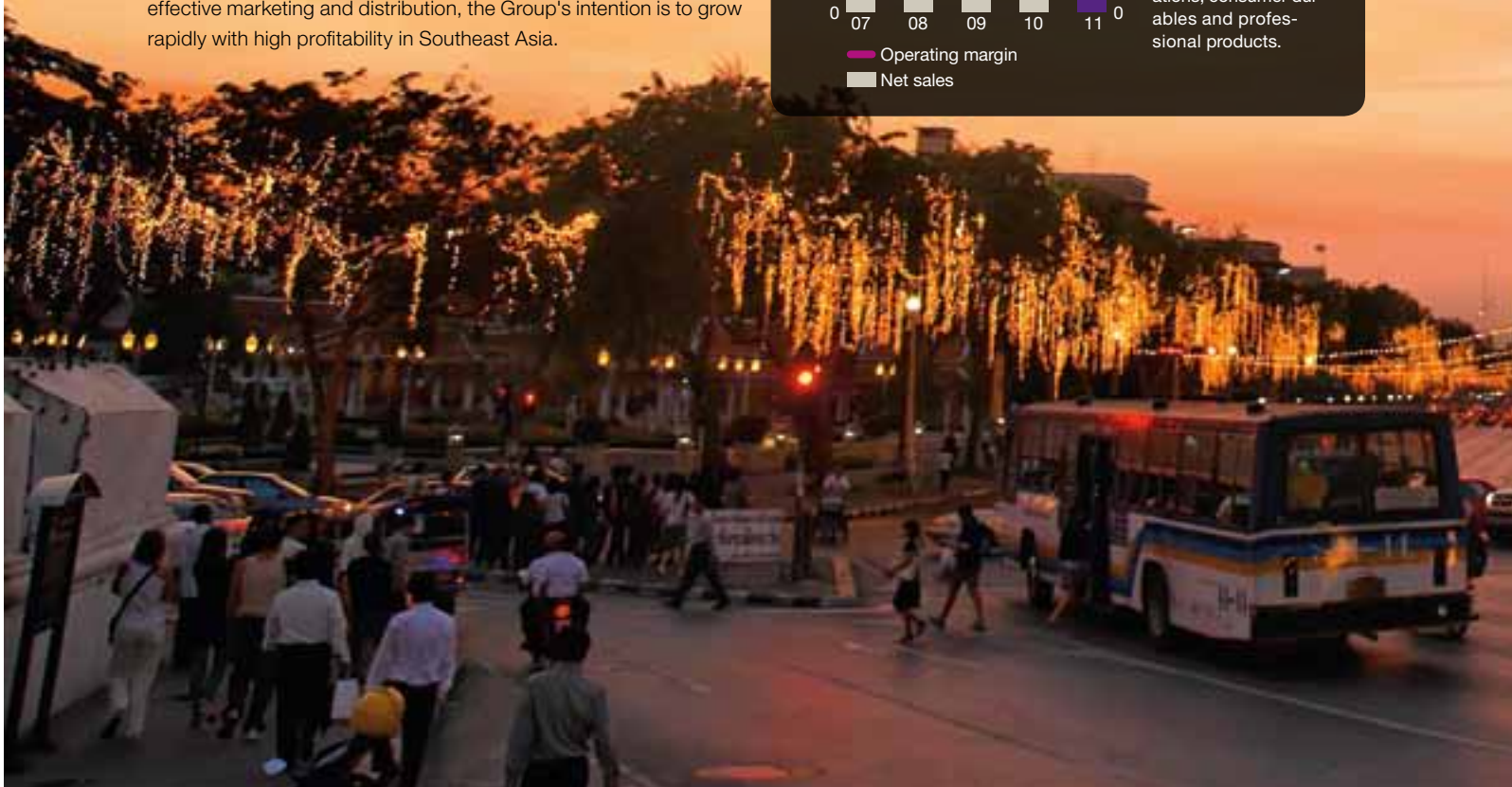
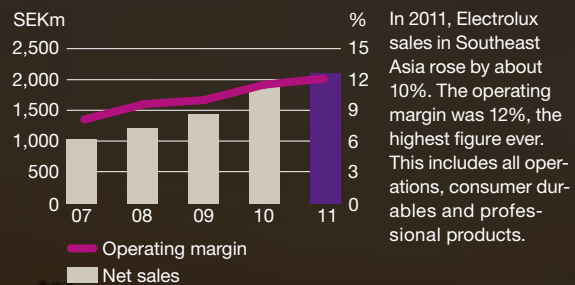
## Electrolux in Southeast Asia

# Profitable and fast-growing operations

*Electrolux has been active in the Southeast Asian market since the end of the 1970s, primarily through sales of vacuum cleaners, but also through sales of appliances via distributors and products for professional users. The operations have grown in pace with the rapidly expanding economies in the region.*

The Electrolux brand was positioned in the premium segment from the very start. The focus has been on establishing a strong position in a range of market niches in order to create a platform for broader expansion. The market-leading position in front-load washing machines that Electrolux established at an early stage has facilitated growth in kitchen appliances. In 2011, sales increased by approximately 10% with an operating margin of 12%. Through a strong brand, products adapted to the specific needs of the region and effective marketing and distribution, the Group's intention is to grow rapidly with high profitability in Southeast Asia.

**Net sales and operating margin, Southeast Asia**



### 1 Investments in a strong brand...

In Southeast Asia, price has traditionally played a greater role in purchasing decisions than brand, but the rapidly emerging middle class in cities is increasingly choosing products in the premium segment, and preferably from European producers. These consumers adapt fast to new technology. Large products such as refrigerators are often placed in living rooms, so pleasing design is important. The Group's strategy has always been to launch innovative products in the higher price segments under the Electrolux brand. As a result, the Group now holds a strong position in the premium segment in all countries throughout the region, and a brand that is associated with European quality.

### 2 ...more innovative products adapted to the needs of Asian households...

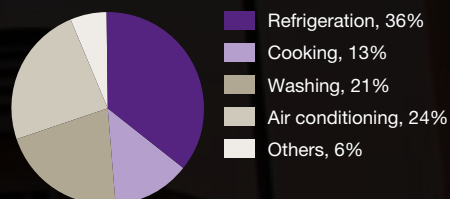
The innovative products that Electrolux has developed for the specific needs of Southeast Asian households in regard to temperature, humidity and cuisine have led to substantial growth and increasing market shares. Electrolux has focused on a limited and strong offering in front-load washing machines, for example, and built-in appliances for the kitchen. The platform created by these offerings provides more scope for a broader product expansion in the future. In 2012, Electrolux will launch new, innovative refrigerators, top-load washing machines and free-standing cookers in the premium segment.

- 1 Establish Electrolux as a premium brand throughout the entire region.
- 2 Invest in new products adapted to the needs of Asian consumers and broaden the product offering.
- 3 Create effective marketing campaigns and increased presence in stores.
- 4 Establish competitive close-to-market production and efficient distribution.

#### High growth

Southeast Asia comprises Singapore, Vietnam, Indonesia, the Philippines, Malaysia and Thailand. This region, with a total of 523 million inhabitants, is experiencing rapid urbanization and intense population growth. In 2010, the average GDP per capita was USD 3,400 and this is expected to continue to increase rapidly over the coming years. As prosperity increases, consumers will prioritize refrigerators, washing machines and air-conditioning equipment. Among the fast-growing middle class in cities, demand for household appliances in the higher price segments is increasing.

#### Shares of appliances market



#### 3 ...direct store sales and strong campaigns...

Asian consumers often make purchasing decisions in stores. Electrolux has built up an efficient sales organization to take care of customers in stores, and to demonstrate product features. Competition for customers is often intense, which means that store personnel require the support of strong marketing campaigns and smart visual merchandising. Close collaboration with leading retailers in the region is part of the Group's strategy for increasing sales.



#### 4 ...with efficient production and distribution...

Most appliances sold by Electrolux in the region are produced in the Group's modern and efficient plants in Thailand. The high quality of the products is reflected by the record-low need for service in 2011. During the year, a decision was made concerning the construction of a new refrigerator plant in Rayong in Thailand to meet growing demand in the region. Focus also lies on the continued reduction of working capital to free resources for investment in new products and more marketing.

#### ...will ensure continued profitable growth.

A strong brand, a broader product offering and even closer collaboration with retailers in the region will lead to continued rapid growth and high profitability.