

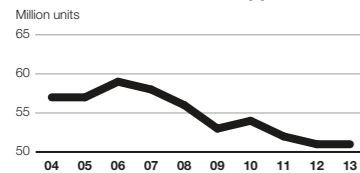
Market characteristics

Core markets

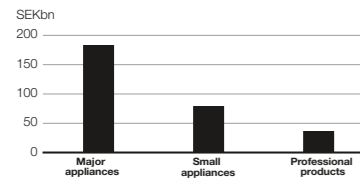
Western Europe

Widely varying consumer patterns between the various countries have resulted in a low degree of consolidation with a large number of manufacturers, brands and retailers. Accordingly, the market is characterized by overcapacity and price pressure. The weak macroeconomic situation is limiting growth, but opportunities for healthy expansion exist in certain segments. There is increased demand for compact, energy-efficient and user-friendly products with good design.

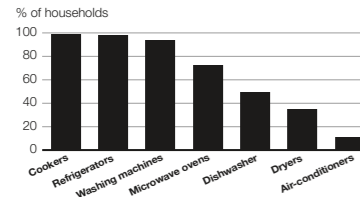
Market demand for core appliances



Market value



Product penetration



Electrolux competitors

Bosch-Siemens • Indesit • Whirlpool • Samsung • LG Electronics • Dyson • Miele • Ali Group • Rational • Primus

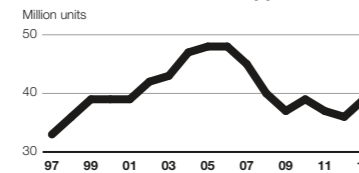
Western Europe

Population:	417 million
Average number of persons per household:	2.3
Urban population:	77%
GDP per capita 2012:	USD 39,600
Estimated real GDP growth 2012:	-0.4%

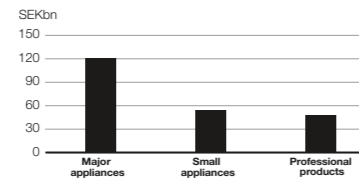
North America

A mature, homogenous market with high penetration that is dominated by replacement products. Large homes allow space for many household appliances, including large appliances. The market is dominated by three manufacturers: Electrolux, Whirlpool and General Electric. Four major retailers sell 70% of appliances. The recovery in the housing sector generates opportunities for healthy growth for the next few years.

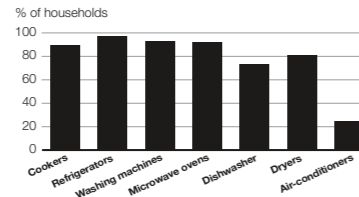
Market demand for core appliances



Market value



Product penetration



Electrolux competitors

Whirlpool • General Electric • LG Electronics • Samsung • Dyson • TTI Group (Dirt Devil, Vax and Hoover) • Bissel • ITW

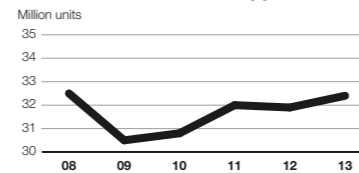
North America

Population:	348 million
Average number of persons per household:	2.6
Urban population:	82%
GDP per capita 2012:	USD 51,800
Estimated real GDP growth 2012:	1.8%

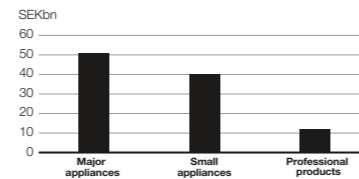
Australia, New Zealand and Japan

Japan is the world's third-largest single market and is dominated by major domestic manufacturers and retailers. Small living spaces have led to consumers demanding compact products, such as handheld vacuum cleaners. Penetration is high in Australia and New Zealand and demand is primarily driven by design and innovations as well as water and energy efficiency. Competition between manufacturers from Asia and Europe is intense.

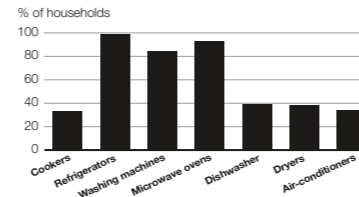
Market demand for core appliances



Market value



Product penetration



Electrolux competitors

Fischer & Paykel • Samsung • LG Electronics • Panasonic • Dyson • ITW • Hoshizaki • Alliance

Australia, New Zealand and Japan

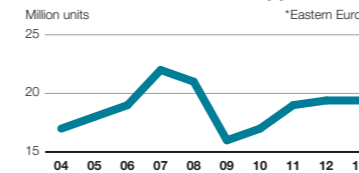
Population:	154 million
Average number of persons per household:	2.5
Urban population:	91%
GDP per capita 2012:	USD 49,500
Estimated real GDP growth 2012:	2.6%

Growth markets

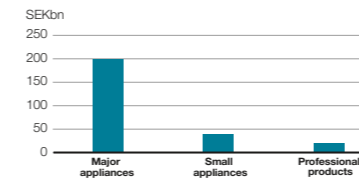
Africa, Middle East and Eastern Europe

The level of development varies substantially between countries. The geographic spread also plays its part in hindering manufacturers and retailers from capturing substantial market shares. Penetration is low in Africa, but growth is high in line with increasing household purchasing power. Eastern Europe is dominated by Western manufacturers and a large market for replacement products is emerging.

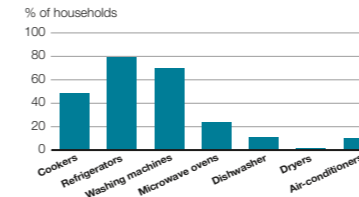
Market* demand for core appliances



Market value



Product penetration



Electrolux competitors

Bosch-Siemens • Indesit • Whirlpool • Samsung • LG Electronics • Dyson • Ali Group • Rational

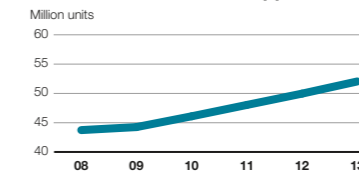
Africa, Middle East

Population:	1,336 million
Average number of persons per household:	5.9
Urban population:	50%
GDP per capita 2012:	USD 8,400
Estimated real GDP growth 2012:	0.1%

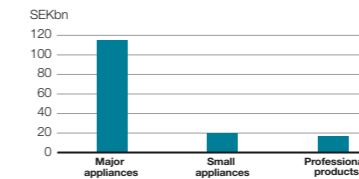
Latin America

Growth is driven by a fast-growing middle class, which primarily demand basic cookers, refrigerators and washing machines. Brazil accounted for about half of total sales in the market and the three largest manufacturers (Electrolux, Whirlpool and Mabe) accounted for about 70% of the appliances market. Considerable growth potential exists for appliances, such as washing machines, in pace with increasing purchasing power and higher demands for energy and water efficiency.

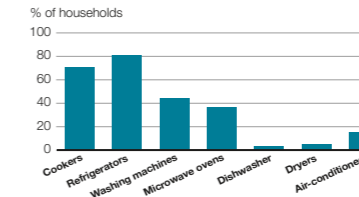
Market demand for core appliances



Market value



Product penetration



Electrolux competitors

Whirlpool • Mabe • LG Electronics • Samsung • Daewoo • SEB Group • Black & Decker • Phillips • ITW • Fagor

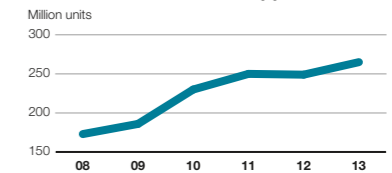
Latin America

Population:	608 million
Average number of persons per household:	3.7
Urban population:	79%
GDP per capita 2012:	USD 9,600
Estimated real GDP growth 2012:	2.5%

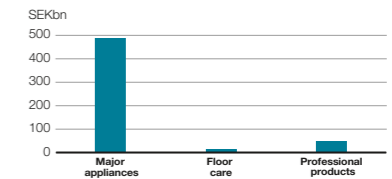
Southeast Asia and China

The market is characterized by robust economic growth, rapid urbanization, small living spaces and a rapidly expanding middle class. China is the world's largest market for household appliances, in terms of volume. The domestic manufacturers Haier Group and Midea dominate in China. Similar to other growth markets, consumers prioritize refrigerators, washing machines and air-conditioners as prosperity rises. Energy-efficient products are growing in popularity.

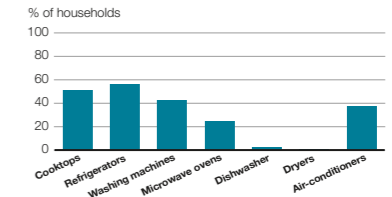
Market demand for core appliances



Market value



Product penetration



Electrolux competitors

LG Electronics • Panasonic • Haier Group • Sanyo • Midea • Samsung • Dyson • Manitowoc • ITW • Sailstar • Image

Southeast Asia and China

Population:	3,750 million
Average number of persons per household:	3.8
Urban population:	42%
GDP per capita 2012:	USD 5,900
Estimated real GDP growth 2012:	7.2%

Sources: World Bank and Electrolux estimates.