

THE HOUSEHOLD APPLIANCES MARKET IN CE, SE AND EASTERN EUROPE

Czech Republic

According to data published by Datamonitor, the household appliances retail sales in the Czech Republic increased at a compound annual growth rate of 4.6% between 2004 and 2009.

According to data published by Euromonitor, the electrical goods retailers remain the leading and dominant distribution channel for consumer appliances in the Czech Republic.

A strong growth in share was also achieved by the internet retailing. Many major multinational compete for the market share in the Czech Republic, with Electrolux accounting for a tenth of volume sales.

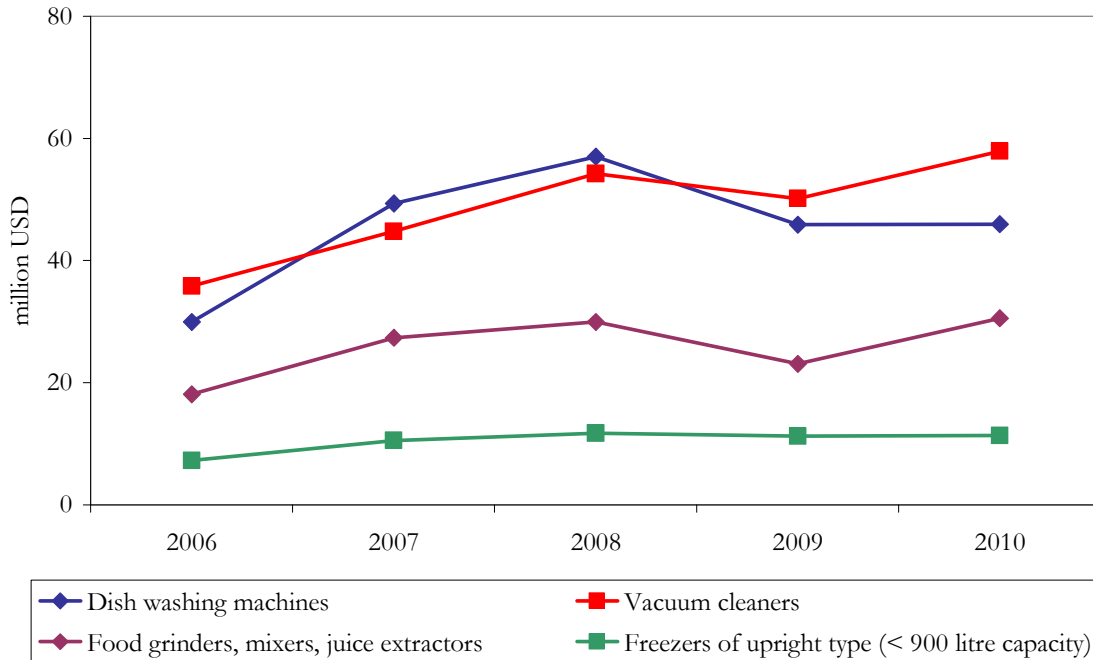
According to GfK, in the Czech Republic, almost a quarter of white goods are purchased via the internet.

According to the Czech Statistical Office, in October 2011, the y/y drop in prices of the household appliances in the Czech Republic continued (-4.6%).

In 2010 compared to 2009, the imports of the household appliances in the Czech Republic recorded growths of:

- approx. 33% in case of the food grinders, mixers, juice extractors
- approx. 16% in case of the vacuum cleaners
- approx. 0.9% in case of the freezers of upright type (< 900 litre capacity)
- approx 0.2% in case of the dish washing machines

Imports of household appliances in the Czech Republic



Sources: Czech Statistical Office, OECD

Main retailers of white goods and household appliances in the Czech Republic are: Electro World, Euronics, Alza, Okay, K+B Expert, Datart.

In October 2011, HP Tronic (main shareholder of Euronics stores in the Czech Republic) reached an agreement to buy 100% stake in the Czech manufacturer of small appliances ETA.

Okay announced the intention to expand its store network on the Czech market. Okay recorded revenues of some 190 million EUR in 2010 in the Czech Republic.

Slovakia

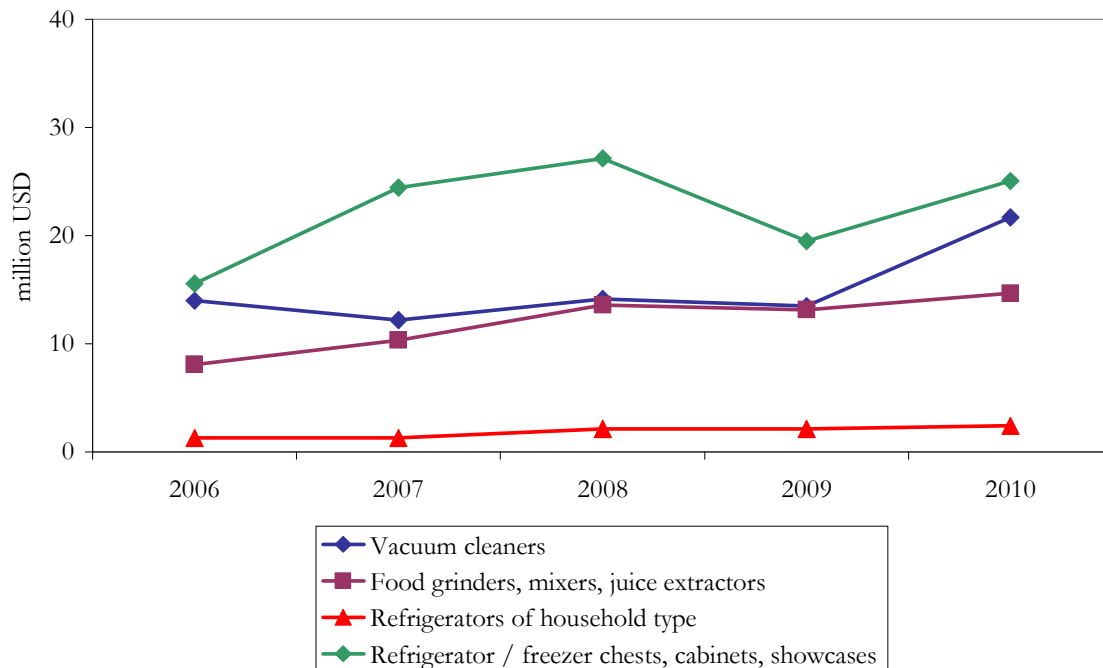
According to data published by Datamonitor, the household appliances retail sales in Slovakia increased at a compound annual growth rate of 3.6% between 2004 and 2009.

The Slovakian market is characterised by a rising demand for automatic dishwashing and the market is expected to continue the growing trend during the next period.

In 2010 compared to the previous year, increases of the imports of household appliances in Slovakia were recorded for the following categories:

- vacuum cleaners: approx. 61%
- refrigerator / freezer chests, cabinets, showcases: approx. 28%
- refrigerators of household type: approx. 14%
- food grinders, mixers, juice extractors: approx. 11%

Imports of household appliances in Slovakia



Sources: Statistical Office of the Slovak Republic, OECD

Main retailers of white goods and household appliances in Slovakia are: Nay Elektrodom, Electro World, Euronics, Okay, Datart.

Poland

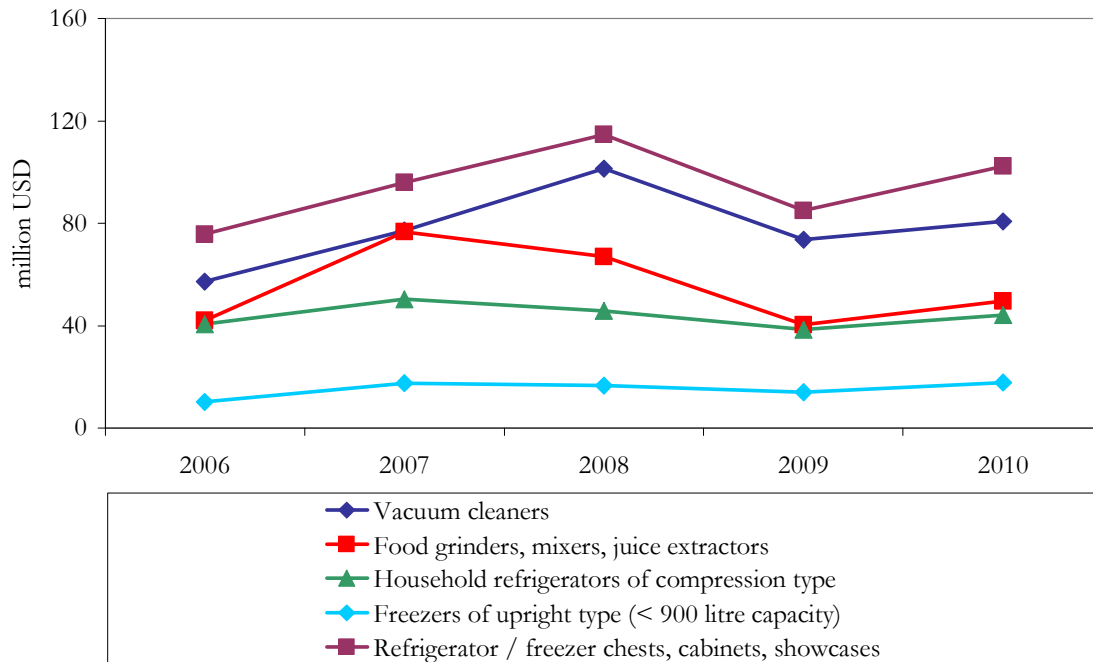
According to data published by Datamonitor, the household appliances retail sales in Poland increased at a compound annual growth rate of 2.3% between 2004 and 2009.

According to data published by Euromonitor, the possession rate of dishwashers in Poland increased to 14% in 2010. The market is expected to register double-digit growth of automatic dishwashing volume sales in the next years.

In 2010, y/y growths of the Polish imports of the household appliances were recorded for:

- freezers of upright type (< 900 litre capacity): approx. 27%
- food grinders, mixers, juice extractors: approx. 23%
- refrigerator / freezer chests, cabinets, showcases: approx. 20%
- household refrigerators of compression type: approx. 15%
- vacuum cleaners: approx. 10%

Imports of household appliances in Poland



Source: Central Statistical Office of Poland

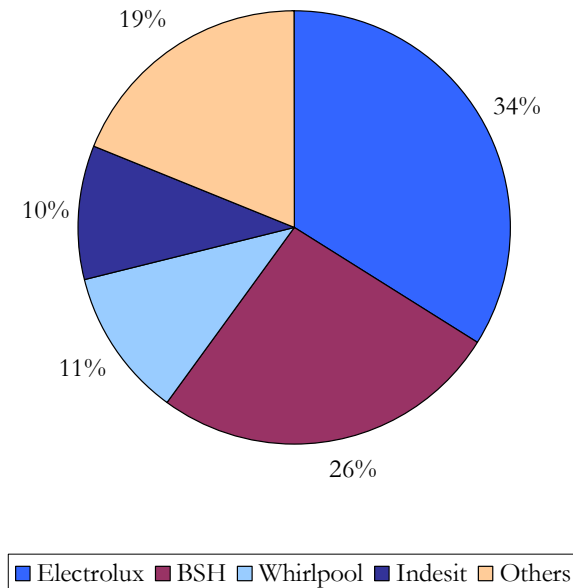
Main retailers of white goods and household appliances in Poland are: Media Markt, Saturn, Electro World.

Hungary

According to data published by Datamonitor, the household appliances retail sales in Hungary increased at a compound annual growth rate of 1.9% between 2004 and 2009.

According to data published by Euromonitor, the household penetration of cookers in Hungary is high (98% in 2010). On the large cooking appliances in Hungary, Electrolux is the leading player with a 34% share of retail volume sales in 2010, followed by BSH (26%), Whirlpool (11%) and Indesit (10%).

Market of large cooking appliances in Hungary - market share in 2010

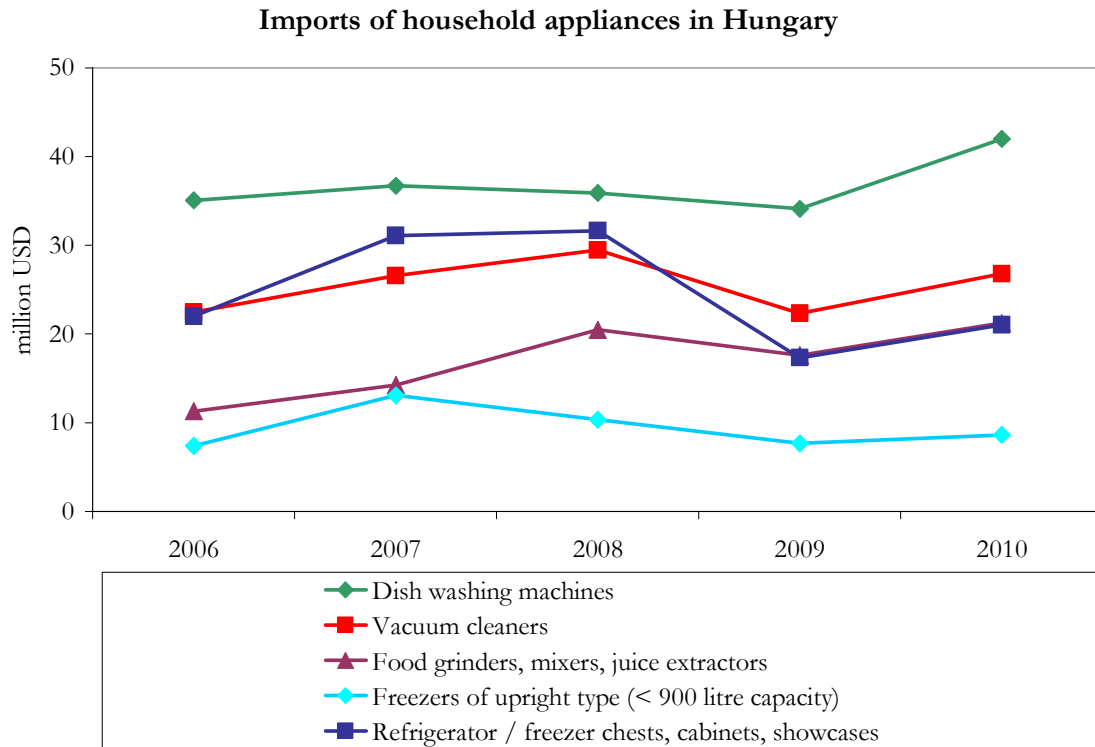


Source: Euromonitor

The GIS (Green Investment Scheme) Energy Efficient Household Appliance Replacement Sub-Program in Hungary operated with a budget of one billion HUF and funded the replacement of one old washing machine and / or one old refrigerator per household or per seat in relation to organisations. The Sub-Program had the target to contribute to implementing the country's climate protection targets through the replacement of energy guzzling old household appliances and to reduce the energy consumption and the related expenditures.

The Hungarian imports of household appliances recorded growths in 2010 compared to 2009 as follows:

- approx. 23% in case of the dish washing machines
- approx. 21% in case of the food grinders, mixers, juice extractors
- approx. 21% in case of the refrigerator / freezer chests, cabinets, showcases
- approx. 20% in case of the vacuum cleaners
- approx. 12% in case of the freezers of upright type (< 900 litre capacity)



Sources: Hungarian Central Statistical Office, OECD

Main retailers of white goods and household appliances in Hungary are: digidog.hu, Euronics, Media Markt, Saturn, Electro World.

Recently, digidog.hu has opened two new retail stores in Budapest.

In August 2011, Euronics opened two stores in the Budapest area, each with the surface of approx. 1,500 sqm, reaching 65 stores in Hungary. Previously, Euronics opened only smaller stores of 300 - 700 sqm. The two new stores are expected to generate sales of over one billion HUF this year. Euronics recorded sales of 19 billion HUF in 2010.

Slovenia

According to the Statistical Office of the Republic of Slovenia, almost 32% of the electricity in households was consumed by large household appliances (refrigeration and freezing appliances, washing, drying machines, dishwashers, ovens and microwave ovens) in 2009 in Slovenia.

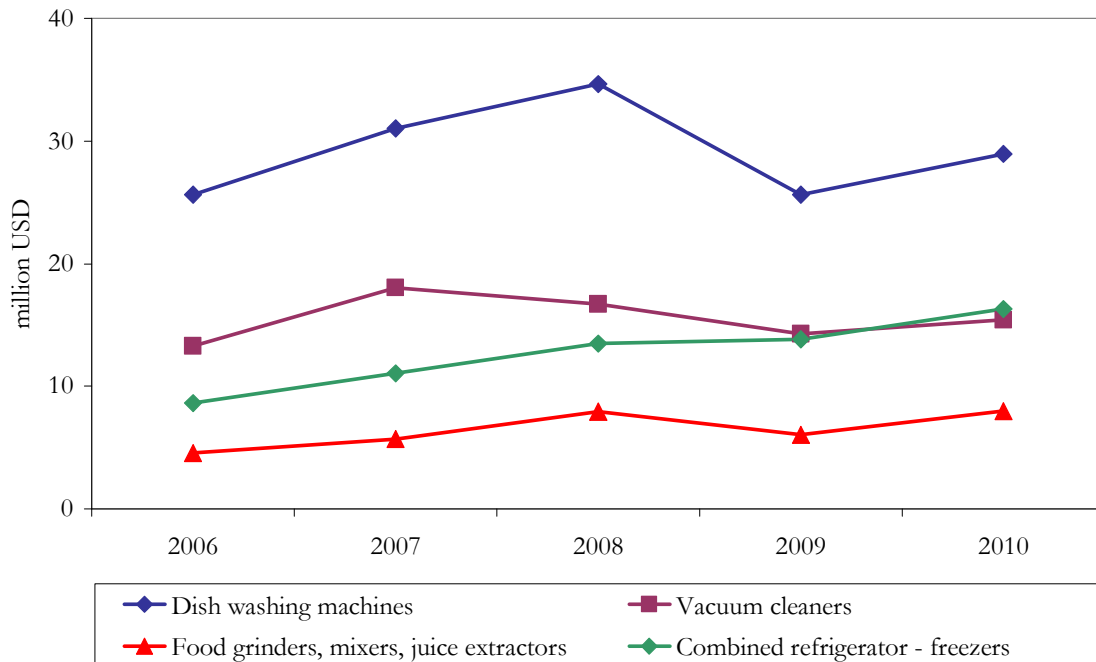
According to info published by Datamonitor, the household appliances retail sales in Slovenia increased at a compound annual growth rate of 7.7% between 2004 and 2009.

According to the Statistical Office of the Republic of Slovenia, in 2010, most Slovenian dwellings had a refrigerator or refrigerator with freezer (more than 99%) and washing machine (92%).

In 2010 compared to 2009, increases of the imports of household appliances in Slovenia were recorded for:

- food grinders, mixers, juice extractors: approx. 32%
- combined refrigerator – freezers: approx. 18%
- dish washing machines: approx. 13%
- vacuum cleaners: approx. 8%

Imports of household appliances in Slovenia



Source: Statistical Office of the Republic of Slovenia, OECD

Harvey Norman is a main retailer of white goods and household appliances in Slovenia. Harvey Norman opened its first retail store in Ljubljana in 2002.

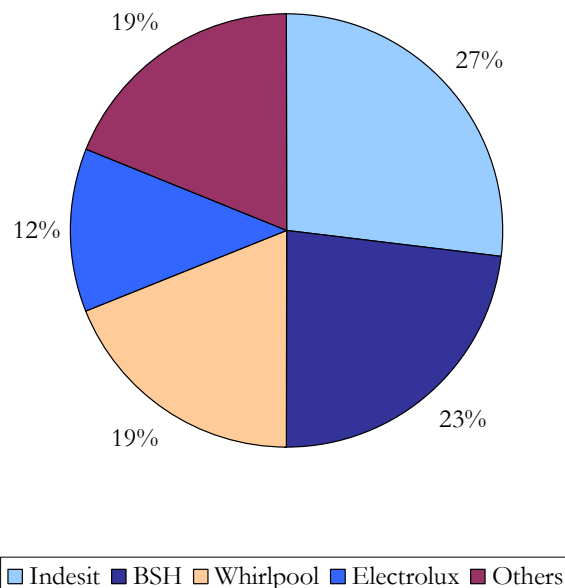
Romania

According to data published by Datamonitor, the household appliances retail sales in Romania increased at a compound annual growth rate of 4.4% between 2004 and 2009.

According to GfK, the Romanian market of the small household appliances recorded an increase of 6.5% in Q1 of 2011 compared to the same period of 2010, reaching the value of 23 million EUR. In case of the big household appliances market in Romania, the first quarter of 2011 was a stable one, the sales reaching the same value as in the first quarter of 2010, namely 59 million EUR

According to data published by Euromonitor, dishwashers recorded steady growth in recent years in Romania. In 2010, Indesit led the Romanian dishwashers market with a 27% share and BSH was the second with a 23% volume share. Also in 2010, Whirlpool had a share of 19% and Electrolux of 12%.

Dishwashers market in Romania - market share in 2010



Source: Euromonitor

The main drivers of the dishwashers sales in Romania in the next period are expected to be: the low penetration rate, the capacity for energy-saving and the increasing interest shown by modern consumers.

According to data published by Euromonitor, the freestanding automatic washing machines continued to be the leading category of the home laundry appliances in Romania in 2010, with an 84% share of volume sales.

These appliances have a penetration rate of 97% in urban areas of Romania. Whirlpool continued its dominance of the home laundry appliances with a 28% volume share in 2010 and Arctic was second with an 18.3% share. Indesit had a share of 17%, Electrolux of 12% and Gorenje of 8%.

According to data published by Euromonitor, the cooker is the most popular appliance in the Romanian households, with a penetration rate of 92% in 2010. The main players in the large cooking appliances are Electrolux and Arctic.

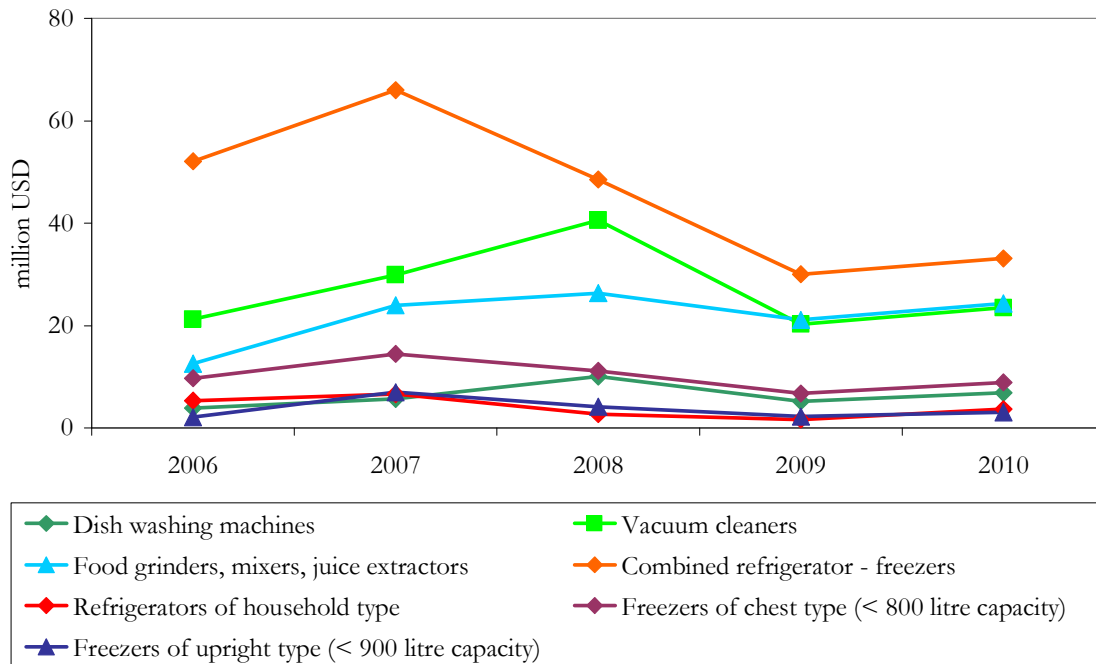
The largest categories in the food preparation appliances are the mixers and blenders, both in terms of volume and value, being followed by other food preparation appliances (mainly electric mincers).

The category of the food preparation appliances has great growth potential, as Romanian households are not yet fully equipped, and it is expected to see positive growth in the following period. Philips had a 29% volume share in 2010 on the market of food preparation appliances in Romania

Y/y increases of the Romanian imports of household appliances in 2010 were recorded for:

- refrigerators of household type: approx. 130%
- freezers of upright type (< 900 litre capacity): approx. 37%
- dish washing machines: approx. 31%
- freezers of chest type (< 800 litre capacity): approx. 31%
- vacuum cleaners: approx. 16%
- food grinders, mixers, juice extractors: approx. 15%
- combined refrigerator – freezers: approx. 10%

Imports of household products in Romania



Source: Romanian Center for Trade and Investment

Main retailers of white goods and household appliances in Romania are: Flanco, Altex, Domo.

Flanco recorded in the first nine months of 2011 a turnover of 65 million EUR, up by 50% compared to the similar period of 2010. The retailer targets a turnover of 110 million EUR in 2011 and of 140 million EUR in 2012. Also, Flanco targets a net profit of one million EUR in 2011. The Flanco stores record some 1.3 million clients per year in Romania.

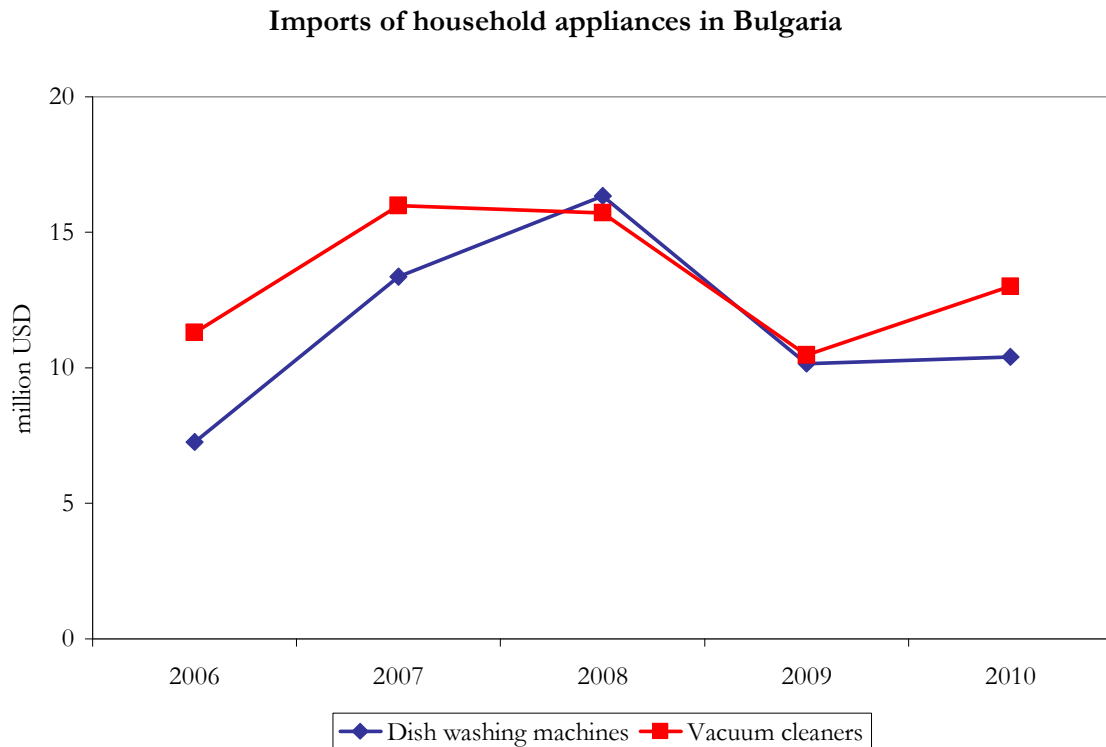
Domo estimates a turnover of 175 million EUR for 2011. In October 2011, the retailer launched two new stores in Romania, located in Oradea and Constanta.

Bulgaria

According to data published by Datamonitor, the household appliances retail sales in Bulgaria increased at a compound annual growth rate of 27% between 2004 and 2009.

In 2010 compared to 2009, the imports of household appliances in Bulgaria recorded growths of:

- approx. 24% in case of vacuum cleaners
- approx. 2% in case of dish washing machines



Source: National Statistical Institute of Bulgaria

Tehnomarket, operated by K&K Electronics, is a main retailer of white goods and household appliances in Bulgaria. K&K Electronics was set up in 1992 and the first Technomarket store was launched in 1999. Technomarket registers some 51% of the sales of consumer electronics in Bulgaria.

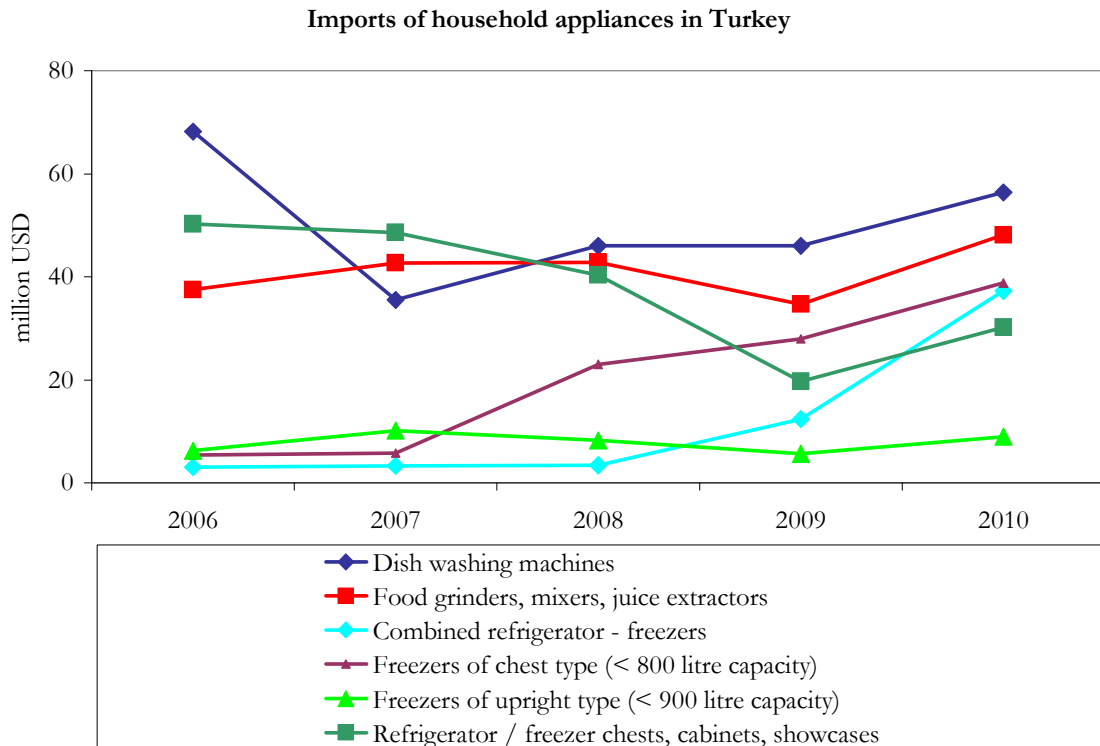
Turkey

According to data published by Datamonitor, the household appliances retail sales in Turkey increased at a compound annual growth rate of 21% between 2004 and 2009.

According to the statement of the Turkish Prime Minister at the General Assembly of the Union of Chambers and Commodity Exchanges of Turkey in May 2010, the sales of household appliances in Turkey are on the rise.

The imports of the household appliances in Turkey recorded y/y increases in 2010 as follows:

- approx. 202% for combined refrigerator – freezers
- approx. 58% for freezers of upright type (< 900 litre capacity)
- approx. 53% for refrigerator / freezer chests, cabinets, showcases
- approx. 39% for freezers of chest type (< 800 litre capacity)
- approx. 38% for the food grinders, mixers, juice extractors
- approx. 23% for dish washing machines



Source: Turkish Statistical Institute

Main retailers of white goods and household appliances in Turkey are: Media Markt, Saturn, Electro World.

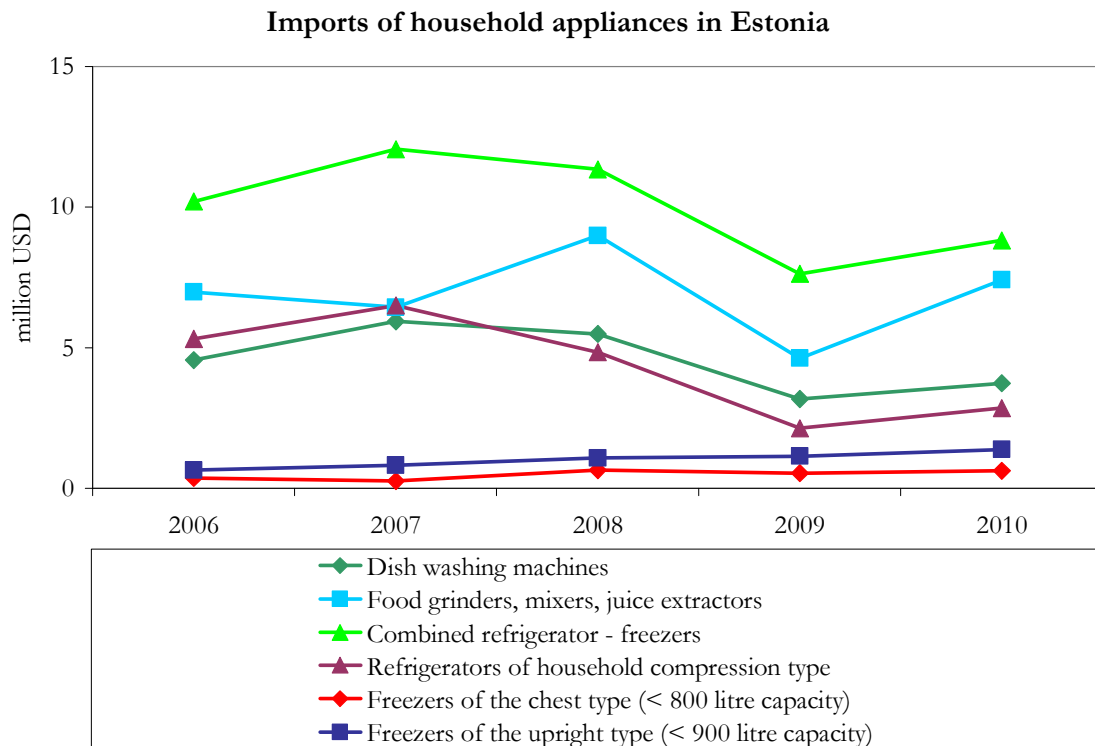
Estonia

According to data published by Datamonitor, the household appliances retail sales in Estonia increased at a compound annual growth rate of 2.6% between 2004 and 2009.

According to the Estonian National Statistical Office, the retail sales in stores selling household goods and appliances, hardware and building materials increased by 10% in Estonia in September 2011 compared to September of the previous year.

Y/y increases of the Estonian imports of household appliances in 2010 were recorded by:

- food grinders, mixers and juice extractors: approx. 60%
- refrigerators of household compression type: approx. 33%
- freezers of the upright type (< 900 litre capacity): approx. 22%
- dish washing machines: approx. 18%
- freezers of the chest type (< 800 litre capacity): approx. 18%
- combined refrigerator – freezers: approx. 16%



Source: Estonia National Statistical Office

Euronics is a main retailer of white goods and household appliances in Estonia. Euronics has been present in Estonia since 2003. At present, Euronics has 14 stores in Estonia.

Latvia

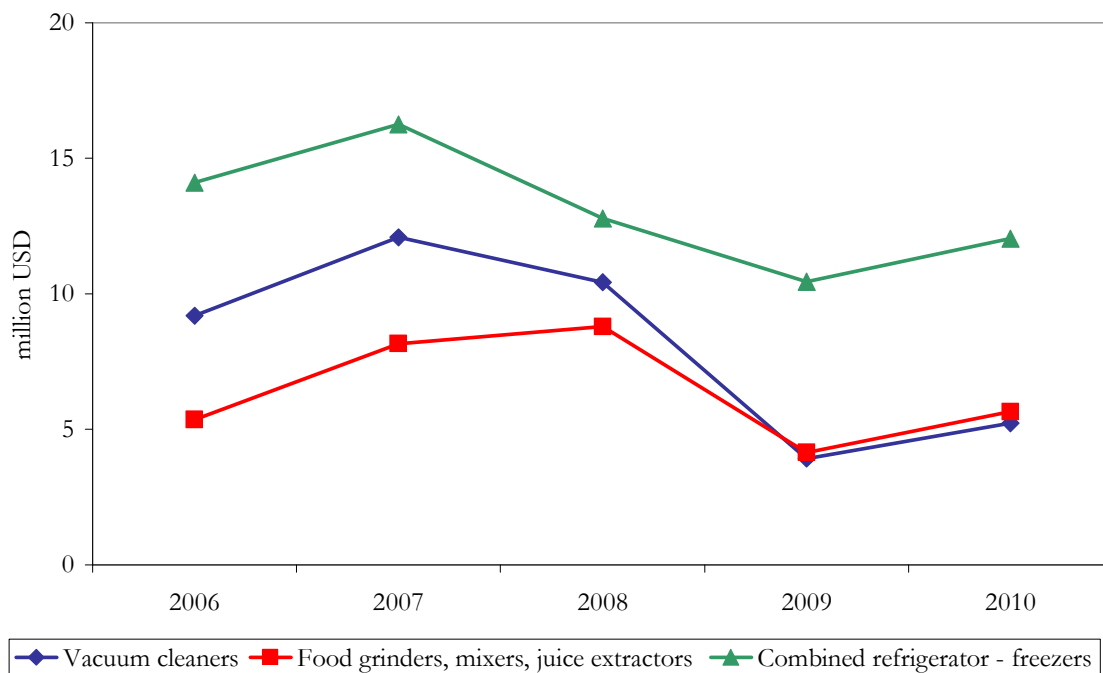
According to data published by Datamonitor, the household appliances retail sales in Latvia increased at a compound annual growth rate of 15% between 2004 and 2009.

According to the Central Statistical Bureau of Latvia, under the influence of sales, the prices of the household appliances diminished in October 2011 compared to September 2011 in Latvia.

In 2010 compared to the previous year, the Latvian imports of the household appliances recorded growths of:

- approx. 36% in case of the food grinders, mixers and juice extractors
- approx. 33% in case of the vacuum cleaners
- approx. 15% in case of the combined refrigerator – freezers

Imports of household appliances in Latvia



Source: Central Statistical Bureau of Latvia

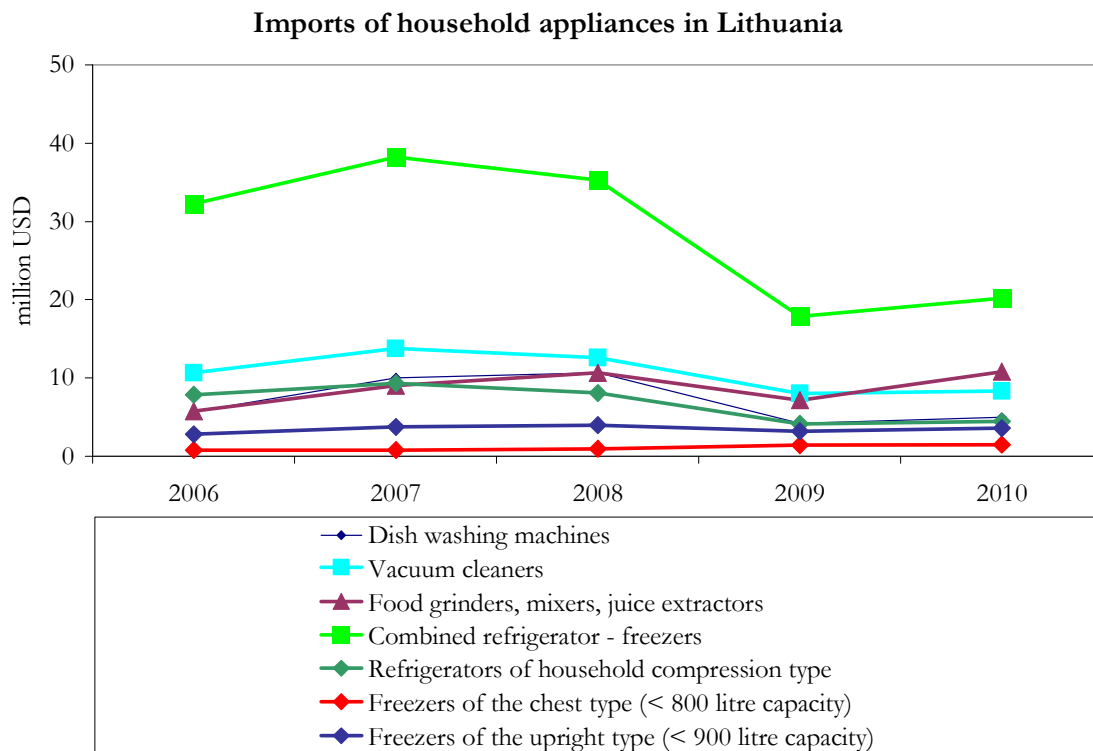
Euronics is a main retailer of white goods and household appliances in Latvia. At present, Euronics has four stores in Latvia.

Lithuania

According to data published by Datamonitor, the household appliances retail sales in Lithuania increased at a compound annual growth rate of 6.2% between 2004 and 2009.

The imports of the household appliances in Lithuania recorded y/y growths in 2010 as follows:

- food grinders, mixers and juice extractors: approx. 51%
- dish washing machines: approx. 20%
- combined refrigerator – freezer: approx. 13%
- freezers of the chest type (< 800 litre capacity): approx. 11%
- freezers of the upright type (< 900 litre capacity): approx. 10%
- refrigerators of household compression type: approx. 8%
- vacuum cleaners: approx. 3%



Source: Lithuania Foreign Trade Statistics Division

Topo Grupe operates some of the biggest chains of household appliances and electronics in Lithuania: Topo Centras and Euronics. At the beginning of this year, the Group started to record growing sales and estimated a 10% rise in sales for 2011.

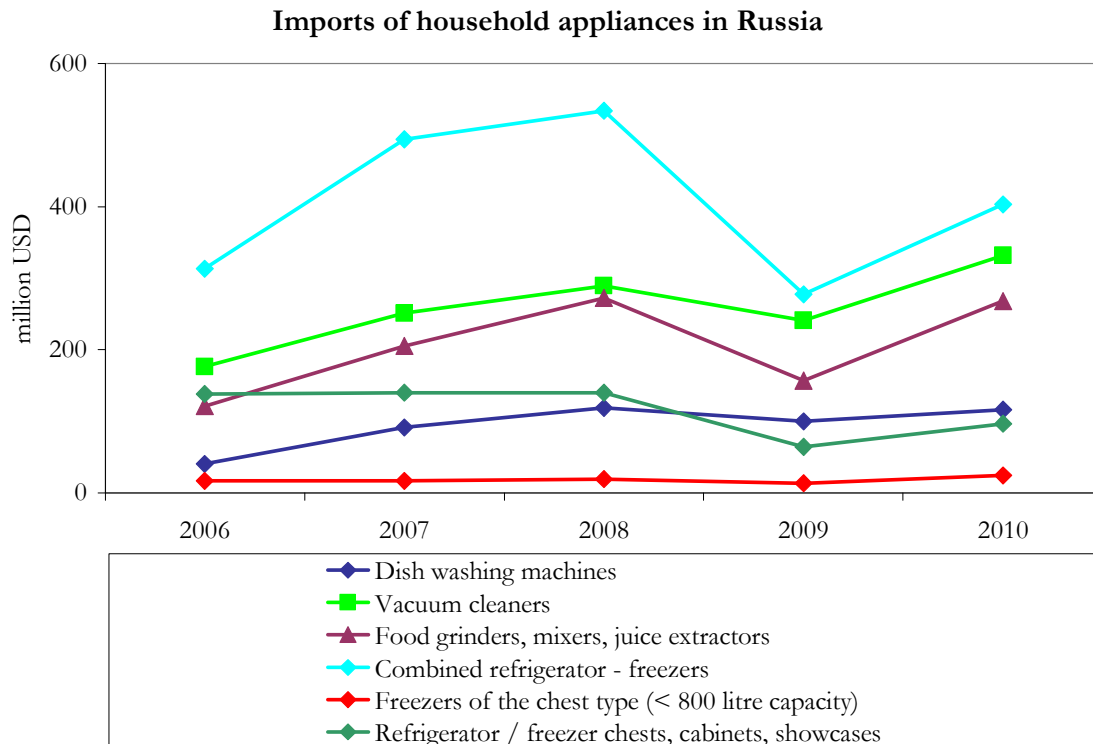
Russia

According to data published by Datamonitor, the household appliances retail sales in Russia increased at a compound annual growth rate of 21.4% between 2004 and 2009.

According to GfK, the total commodity turnover on the Russian household appliances and electronics market grew by 48.1% in the first half of 2011 compared to the same period of 2010.

Increases of the Russian imports in 2010 compared to the previous year were recorded by the following categories of household appliances:

- freezers of the chest type (< 800 litre capacity): approx. 90%
- food grinders, mixers, juice extractors: approx. 71%
- refrigerator / freezer chests, cabinets, showcases: approx. 49%
- combined refrigerator – freezers: approx. 45%
- vacuum cleaners: approx. 38%
- dish washing machines: approx. 16%



Source: Russia State Customs Committee

Main retailers of white goods and household appliances in Russia are: Eldorado, Media Markt, Saturn, Expert - Retail.

Eldorado, owned by the PPF Group, is a significant consumer electronics and household appliance retailer in Russia. Eldorado has a presence in over 450 towns and cities all over Russia, totalling approximately 700 stores (including franchisees). Eldorado recorded total revenues of 2.055 billion EUR in 2010, compared to 1.744 billion EUR in 2009. Also, the retailer registered gross profit of 0.565 billion EUR in 2010, compared to 0.423 billion EUR in 2009.

The retailer of the electronics and household appliances Media Markt, part of the Metro Group, opened in May 2011 the renovated store in Rostov-on-Don, Russia. The overall area of the store amounts to 7,250 sqm and the selling space amounts to 5,700 sqm. Following the renovation process, the TV sets department is increased almost to 900 sqm and the area with small household appliances exceeds 500 sqm.

Ukraine

According to data published by Datamonitor, the household appliances retail sales in Ukraine increased at a compound annual growth rate of 22.4% between 2004 and 2009.

According to representative of Kyiv-based Foxtrot Household Appliances, the Ukrainian household appliances and electronics market amounts to five billion USD. During the next five years, the household appliances and electronics market in Ukraine could grow by 80%, to nine billion USD.

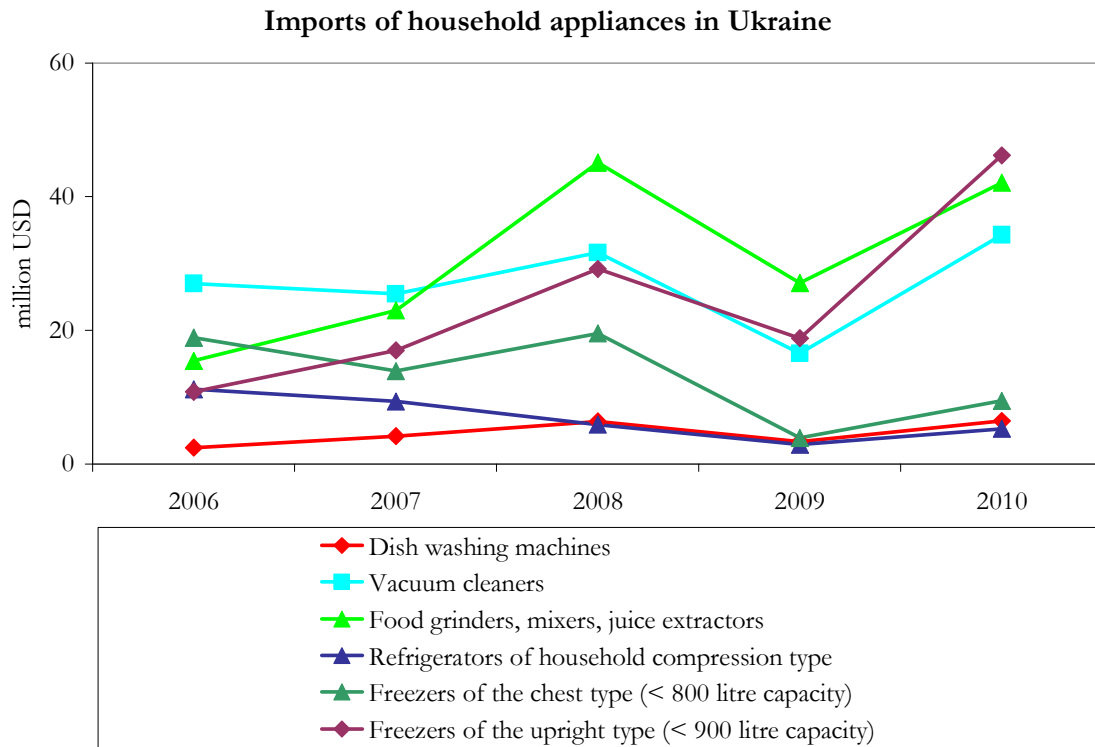
According to GfK, the total commodity turnover on the Ukrainian household appliances and electronics market grew by 32.1% in the first half of 2011 compared to the same period of 2010.

According to Electrolux representatives, the company's market share on the Ukrainian household appliance is of 6.2%. Among the European markets, the company's largest markets in terms of the pace of the demand growth are Ukraine and the CIS states.

The imports of the household appliances in Ukraine recorded significant growths in 2010 compared to 2009 for the following categories:

- freezers of the upright type (< 900 litre capacity): approx. 146%
- freezers of the chest type (< 800 litre capacity): approx. 143%

- vacuum cleaners: approx. 107%
- dish washing machines: approx. 92%
- refrigerators of household compression type: approx. 79%
- food grinders, mixers, juice extractors: approx. 55%

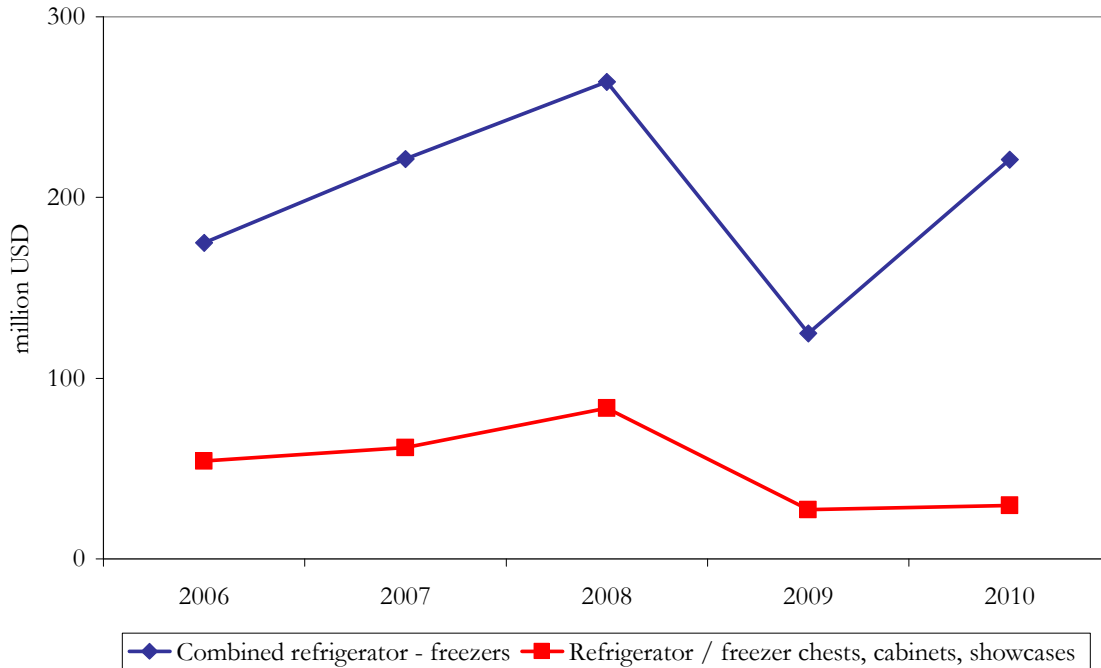


Source: State Statistics Committee of Ukraine

The imports of the combined refrigerator – freezers in Ukraine in 2010 recorded the value of some 221 million USD, this representing an increase by some 77% compared to the previous year.

The Ukrainian imports of refrigerator / freezer chests, cabinets, showcases recorded a y/y growth by some 8% in 2010.

Imports of refrigerators, freezers in Ukraine



Source: State Statistics Committee of Ukraine

Main retailers of white goods and household appliances in Ukraine are: Foxtrot Household Appliances, Comfy, Technopolis, Eldorado.

Foxtrot Household Appliances, part of the Foxtrot Group, is one of the leading wholesale and retail sellers of audio, video and household appliances in Ukraine. The company has a share of 20% on the household appliances market in Ukraine.

In October 2011, Technopolis expanded its store chain of audio, video, household appliances and consumer electronics to 58 stores in Ukraine. The company's chain has three formats: stores with an average area of 1,100 sqm, stores with an average area of 1,900 sqm and stores with an average area of 4,100 sqm.

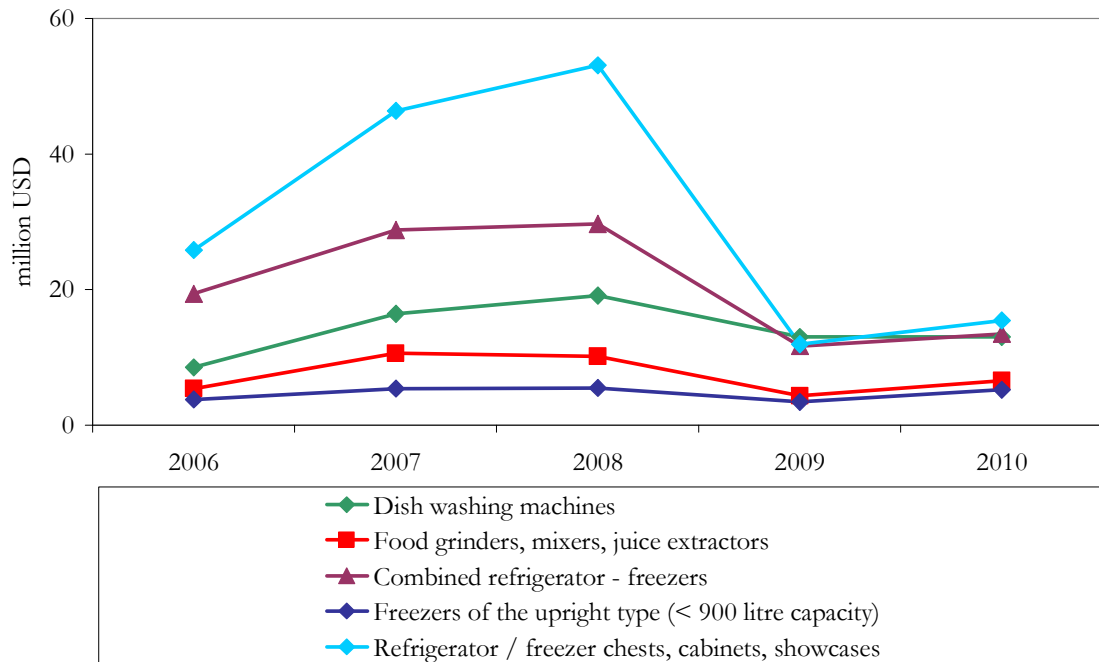
Serbia

In October 2011, the Regional Environmental Center for Central and Eastern Europe (REC) and Serbian Energy Efficiency Agency organised a conference - round table towards the introduction of the EU energy label for household appliances in Serbia. The roundtable was organised in the framework of the REC project strengthening markets for energy saving appliances in the Western Balkan Countries.

In 2010, the imports in Serbia of the household appliances recorded the following y/y increases:

- freezers of the upright type (< 900 litre capacity): approx. 53%
- food grinders, mixers, juice extractors: approx. 51%
- refrigerator / freezer chests, cabinets, showcases: approx. 29%
- combined refrigerator – freezers: approx. 15%
- dish washing machines: approx. 0.03%

Imports of household appliances in Serbia



Source: Statistical Office of the Republic of Serbia

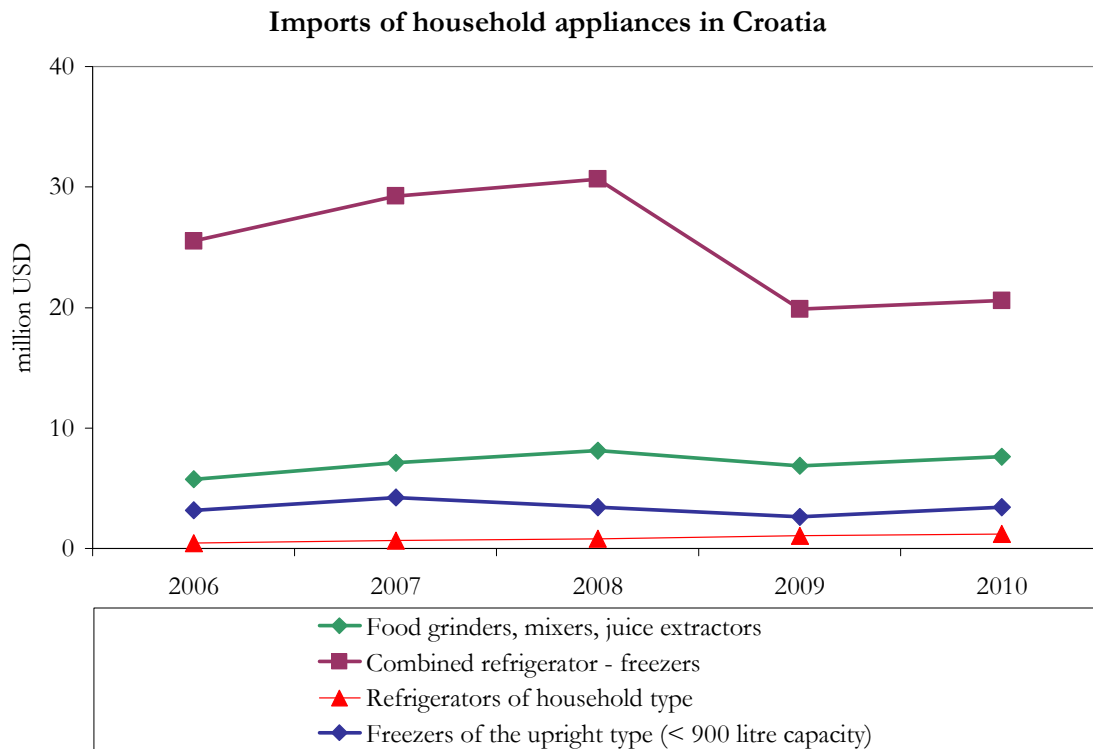
Technomarket is a main retailer of white goods and household appliances in Serbia. The chain includes stores in various cities in Serbia.

Croatia

According to data published by Datamonitor, the household appliances retail sales in Croatia increased at a compound annual growth rate of 6.8% between 2004 and 2009.

The imports of the household appliances in Croatia registered y/y growths in 2010 as follows:

- freezers of the upright type (< 900 litre capacity): approx. 31%
- refrigerators of household type: approx. 17%
- food grinders, mixers, juice extractors: approx. 11%
- combined refrigerator – freezers: approx. 4%



Source: Croatian Bureau of Statistics

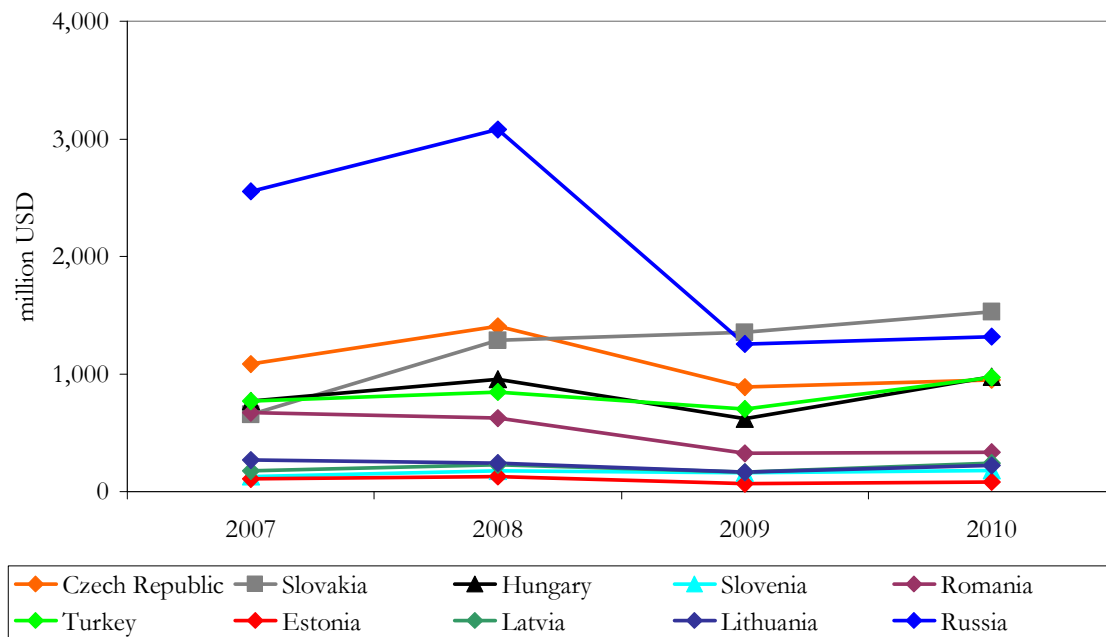
Technomarket is a main retailer of white goods and household appliances in Croatia. Technomarket has stores in various areas of Croatia.

The Market of television receivers, video monitors, video projectors, video recording and reproducing apparatus in CE, SE and Eastern Europe

The imports of the television receivers, video monitors, video projectors in CEE and SEE recorded y/y growths in 2010 as follows:

- in Hungary: approx. 58%
- in Latvia: approx. 47%
- in Turkey: approx. 38%
- in Lithuania: approx. 33%
- in Estonia: approx. 21%
- in Slovakia: approx. 13%
- in Slovenia: approx. 12%
- in the Czech Republic: approx. 7%
- in Russia: approx. 5%
- in Romania: approx. 4%

**Imports of television receivers, video monitors, video projectors
in CEE and SEE**

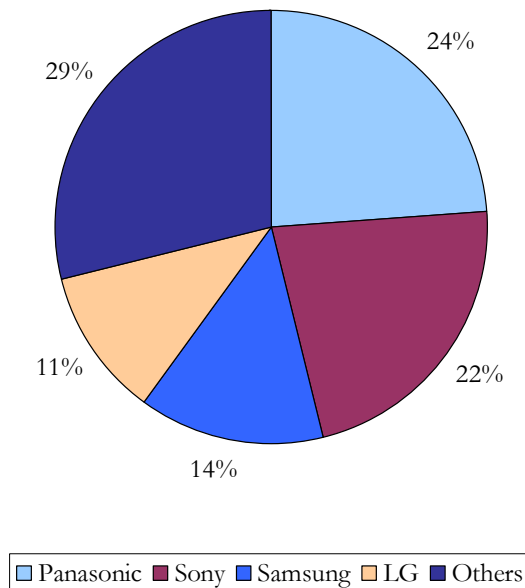


Sources: Statistical Offices of the respective countries

According to data published by Euromonitor, the leader of the home audio and cinema in the Czech Republic in 2010 remains Sony, with a volume share of almost 20% and the second position was taken by Samsung with 19%. On the market of televisions and

projectors in the Czech Republic in 2010, Samsung strengthened its leading position, gaining 4% in volume share to reach 23% in 2010, LG retained its second position with 16% volume share and Panasonic was in the third place with a share of 13%. The Czech video market is very concentrated, with the six leading companies holding almost a 90% volume share. In 2010, the leader remained Panasonic with a 24% volume share, the second position was retained by Sony with a 22% volume share, Samsung maintained the third place with a 14% volume share and LG doubled its share to almost 11%.

Czech video market - market share in 2010

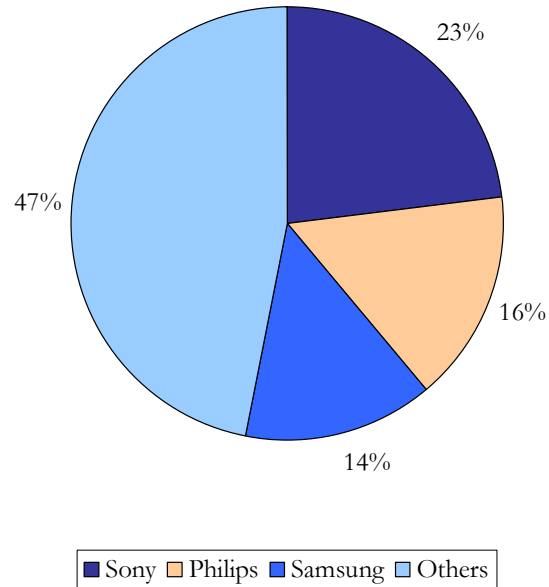


Sources: Euromonitor

According to data published by Euromonitor, on the home audio and cinema market in Hungary in 2010, the largest category was represented by the home cinema and speaker systems, with 75% of volume sales and 87% of value sales.

The home audio and cinema market in Hungary was dominated in 2010 by Sony, Philips and Samsung, with volume shares of 23%, 16% and 14%.

Home audio and cinema market in Hungary - market share in 2010

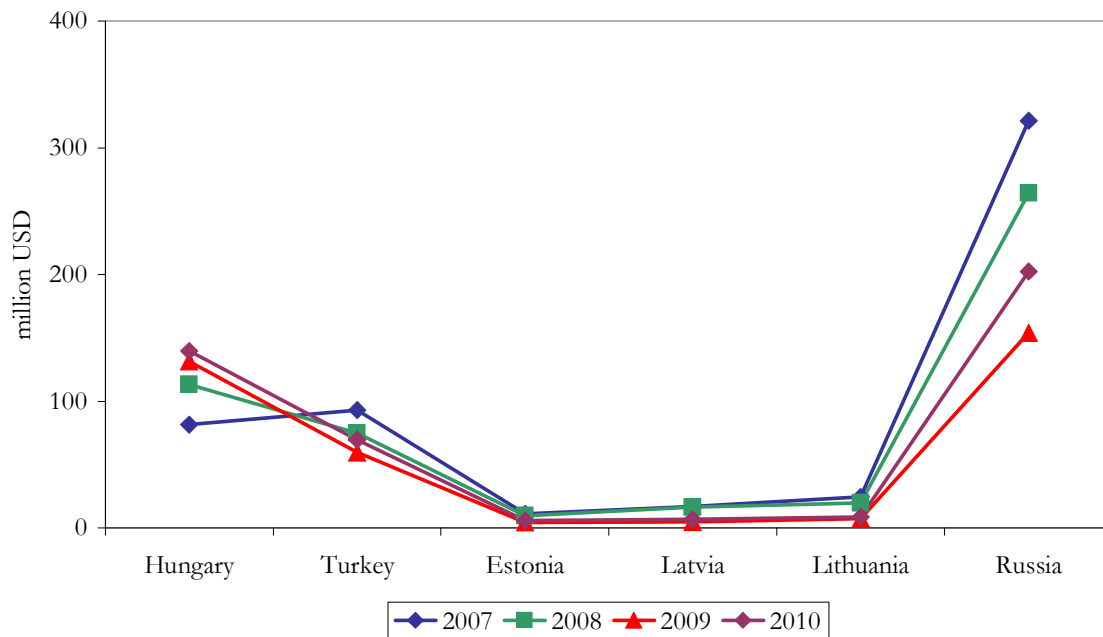


Sources: Euromonitor

The countries in CE, SE and Eastern Europe that recorded growths of the imports of video recording and reproducing apparatus in 2010 compared to 2009 were:

- Latvia: approx. 36%
- Russia: approx. 31%
- Estonia: approx. 26%
- Lithuania: approx. 21%
- Turkey: approx. 17%
- Hungary: approx. 6%

Imports of video recording and reproducing apparatus in CEE and SEE



Sources: Statistical Offices of the respective countries

In Poland, the imports of the television receivers, video monitors, projectors recorded some 1.2 billion USD and the imports of the video recording and reproducing apparatus registered some 116 million USD.

According to data published by Euromonitor, LG held the leading position in the home audio and cinema in Poland with a volume share of 21% in 2010, up by 2% compared to 2009.

Sources: Datamonitor, Euromonitor, GfK, Businessweek, Warsaw Business Journal, Budapest Business Journal, Daily Business, Ziarul Financiar, Act Media, The Baltic Times, Baltic Business News, Kyiv Post, Ucraina, YesBusiness, Turkish Investment Support and Promotion Agency, Anadolu Agency, Statistical Offices of the profiled countries

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