

Press release

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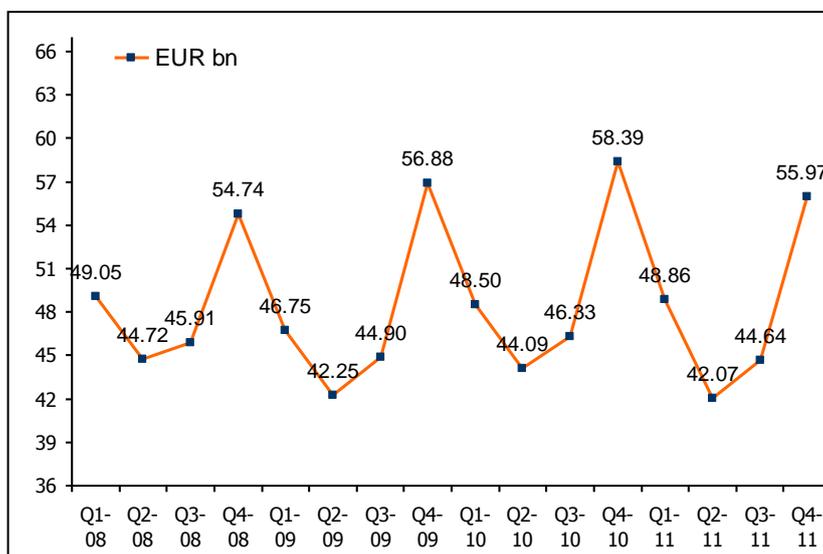
Western Europe: Varied results for Technical Consumer Goods market in 2011

Results of the GfK TEMAX[®] Germany for the fourth quarter of 2011

Nuremberg, March 16, 2012 – The overall Technical Consumer Goods (TCG) market in Western Europe achieved a sales volume of EUR 55.9 billion in Q4 2011. This corresponds to a decrease of 4.1% compared to the previous year. According to GfK TEMAX[®] Western Europe, with sales of EUR 191.5 billion in 2011, the total year development was somewhat better, but again slightly down on 2010 with a negative growth rate of 2.9%. The different countries within Western Europe experienced mixed developments.

The Telecommunication (Telco) and Information Technology (IT) sectors experienced positive single digit growth with respect to the total year 2011 as well as Q4 2011. However, all other sectors surveyed in the GfK TEMAX[®] Western Europe declined. Therefore, totals sales development from October until December, as well as for 2011, was slightly down compared to the previous year. On a country level, Austria, Germany, the Netherlands, Belgium and Sweden achieved positive growth rates.

Sales development of Technical Consumer Goods in Western Europe



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Source: GfK TEMAX[®] Western Europe, GfK

Telecommunication: Smartphones boost sector

With an increase of 6.8%, the Western European Telco sector achieved the strongest growth of all sectors within the GfK TEMAX[®]. Telco sales amounted to nearly EUR 6.4 billion in Q4 2011. With the exception of Spain, Portugal, Greece and the UK, developments in all countries were positive. On a yearly basis, total sales volume was EUR 20.6 billion, corresponding to a growth rate of 1.2%.

This positive development was largely because of smartphones. Retailers in all surveyed countries registered growing demand. As smartphones become more affordable and value for money, more and more consumers are reaching out for these kinds of technical devices. Therefore, GfK expects further growth for smartphones in 2012 which will have a positive impact on the overall Telco sector.

Information Technology: Optimistic outlook

The IT sector generated a growth rate of 1.6% in Q4 2011, corresponding to a sales volume of EUR 17 billion. The total growth rate in 2011 was 4.6%, amounting to EUR 57 billion. Though growth rates slowed down in Q4 2011, the IT sector continued to expand at a very high market level.

With the exception of Greece, Portugal and Spain, the countries surveyed in Western Europe also experienced positive developments with moderate double digit growth rates. However, demand was partly suffering from increasing prices. In addition to this, it is evident that mobile and desktop computers need innovations to stay attractive for consumers. Ultrabooks and "Touch" are a clear option for additional growth. Also, a continuous growth within the tablet segment is generating demand for new segments such as specific key-boards, bags or ergonomic equipment. As consumers are more and more equipped with digital devices, an ongoing demand for IT infrastructure and services can be expected in 2012. Therefore, GfK expects the IT sector to show a slight increase again this year.

Small Domestic Appliances: Positive results from cleaning and coffee segments

Western European consumers spent a total of EUR 4.6 billion on Small Domestic Appliances (SDA) in Q4 2011. This corresponds to a drop of 1.9%, compared with Q4 2010. The sales in 2011 amounted to EUR 15 billion, which is more or less the same as 2010's level.

On a country level, developments were varied again. While Spain suffered double digit losses in Q4 2011, the Netherlands witnessed a double digit growth in sales. Positive demand was also seen in Belgium, Austria and France. In the last three months of 2011, Western European consumers were particularly interested in vacuum cleaners and fully automatic coffee/espresso machines; robot sales in particular, demonstrated strong increases.

Despite these positive developments, the overall SDA market could not outperform the results experienced in 2010. This was due to the fact that some "traditional" SDA segments closed 2011 with a decline; men's shavers, electric toothbrushes, hairdryers and straighteners were considerably below the previous year's level.

Major Domestic Appliances: Varied market development

Overall, the Major Domestic Appliances (MDA) segment in Western Europe registered sales of EUR 8.1 billion in the fourth quarter of 2011, which corresponds to a decline of 2.4%. The full year sales figure showed a slight decline of 1.6% and a total value of EUR 31.4 billion. Germany, France, United Kingdom and Sweden produced single-digit growth.

The positive market trend in Germany was supported by the strong economic development and the ongoing trend towards high quality and energy efficient products. The French market showed higher sales, especially regarding built-in cooking products. The freestanding segment showed an upward trend for cooling, whereas the market for washing and dishwashers was more problematic. In general, the trend towards energy efficient and higher end products could boost sales within the MDA market in 2012.

Office Equipment: Light at the end of the tunnel despite sales decline

Total sales of the Western European Office Equipment and Consumables market amounted to EUR 4.4 billion in the fourth quarter of 2011; this is a quarter on quarter decrease of 7.1%. The full year figures show a decline of 5.7%, with a value of EUR 16.4 billion.

All countries showed decreases in this sector, with the exception of Belgium, which showed slight growth. Nevertheless, the extent of declines differs extremely from country to country. However, Germany and Austria witnessed only a slight value decrease. One reason for the decline was the continuously decreasing prices.

The growing demand for inkjet multifunctional devices (MFD) and laser printing was not sufficient enough to change the trend in value. On the other hand, the latest growth and innovations regarding laser technology, the so called "Business Ink", are very promising signs for 2012.

Photo: Sector affected by adverse circumstances

The Western European Photo sector experienced a mixed performance over the last 12 months. In 2011, sales declined by 7%, amounting to a total volume of just EUR 8.6 billion.

Austria and Germany were the only countries able to show a slight increase in sales compared to 2010. Total sales generated in Q4 2011 were EUR 2.4 billion, corresponding to a decrease of 11.6% compared to 2010's level. This was largely due to the natural and nuclear disaster in March which had significant impact on the economy, causing production breakdowns and delays in delivery.

Despite the high number of photo products already owned by consumers, GfK expects positive impulses in 2012 from the important digital cameras segment, thanks to further innovations. Growth drivers within the digital cameras segment are the relatively new compact system cameras. The argument as to whether smartphones are supporting or competing against digital cameras is one which will be continuously discussed in the future.

Consumer Electronics: Hope through big sport events

Slow sales during the Christmas period and detached saturation tendencies led to a varied overall performance for the Consumer Electronics (CE) sector.

In 2011, sales amounted to EUR 42.3 billion, a decline of 13% compared to the previous year. Q4 2011 witnessed a sales volume of EUR 12.9 billion, which is 14.2% down on the last three months of the previous year. GfK expects a slight growth within the CE sector in year 2012. As previous year's experiences show, the upcoming sporting events – the Olympic Games in London and the European Football Championship in Poland and Ukraine – should contribute to a significant increase. Flat screens especially, the segment strongest in sales, should profit from these events.

GfK TEMAX® Western Europe: Big challenges in 2011

Regarding Western Europe, the effects of the ongoing financial and economic crises clearly had a negative influence on the TCG market. The final quarter of 2011, as well as the total year development, was behind the previous year's performance. Thanks to big events ahead, positive impulses are expected. In autumn 2012 another major event takes place, photokina, which will also bring impulses for the photo market.

Summary in table format

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q4 11 /Q4 10	Q1-4 2011	Q1-4 11 /Q1-4 10
	M.EUR	M.EUR	M.EUR	M.EUR	+/-%	M.EUR	+/-%
Consumer Electronics (CE)	11,596	8,622	9,155	12,943	-14.2%	42,316	-13.0%
Photo (PH)	1,958	2,048	2,112	2,445	-11.6%	8,563	-7.0%
Major Domestic Appliances (MDA)	7,836	7,416	7,996	8,160	-2.4%	31,408	-1.6%
Small Domestic Appliances (SDA)	3,704	3,259	3,450	4,646	-1.9%	15,058	-0.1%
Information Technology (IT)	14,404	12,336	13,296	17,057	1.6%	57,093	4.6%
Telecommunication (TC)	4,933	4,460	4,879	6,357	6.8%	20,629	1.2%
Office Equipment & Consumables (OE)	4,427	3,930	3,750	4,363	-7.1%	16,470	-5.7%
GfK TEMAX® Western Europe	48,858	42,071	44,638	55,971	-4.1%	191,537	-2.9%

Source: GfK TEMAX® Western Europe, GfK

The Survey

GfK TEMAX® is an index developed by GfK to track the technical consumer goods markets. The findings are based on surveys carried out on a regular basis by the retail panel of GfK. The retail panel comprises data from over 370,000 retail outlets worldwide. Since February 2009, GfK has also been compiling the GfK TEMAX® index at international level in more than 30 countries. It is the first index that includes all of the markets for technical consumer goods in different countries. All reports and press releases are available at www.gfktemax.com.

If information from this press release or www.gfktemax.com is cited, GfK TEMAX® should be explicitly indicated as the source.

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About GfK

GfK is one of the world's largest research companies, with more than 11,000 experts working to discover new insights into the way people live, think and shop, in over 100 markets, every day. GfK is constantly innovating and using the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. In 2011, GfK's sales amounted to EUR 1.37 billion.

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