PUBLIC

U.S. V. AB ELECTROLUX ET AL.

United States' Opening Statement

Substantial Lessening of Competition Leads to Price Increases for Consumers

PRE-MERGER PRICING

Substantial Lessening of Competition Leads to Price Increases for Consumers

POST-MERGER PRICING

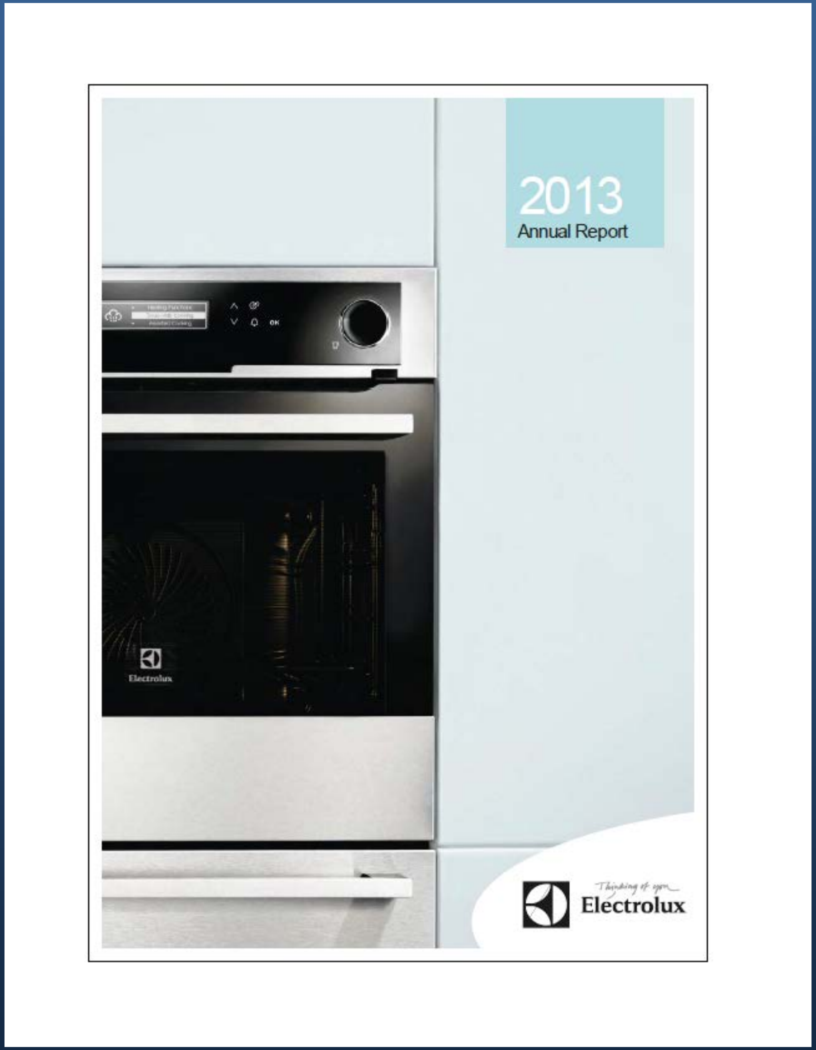
Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

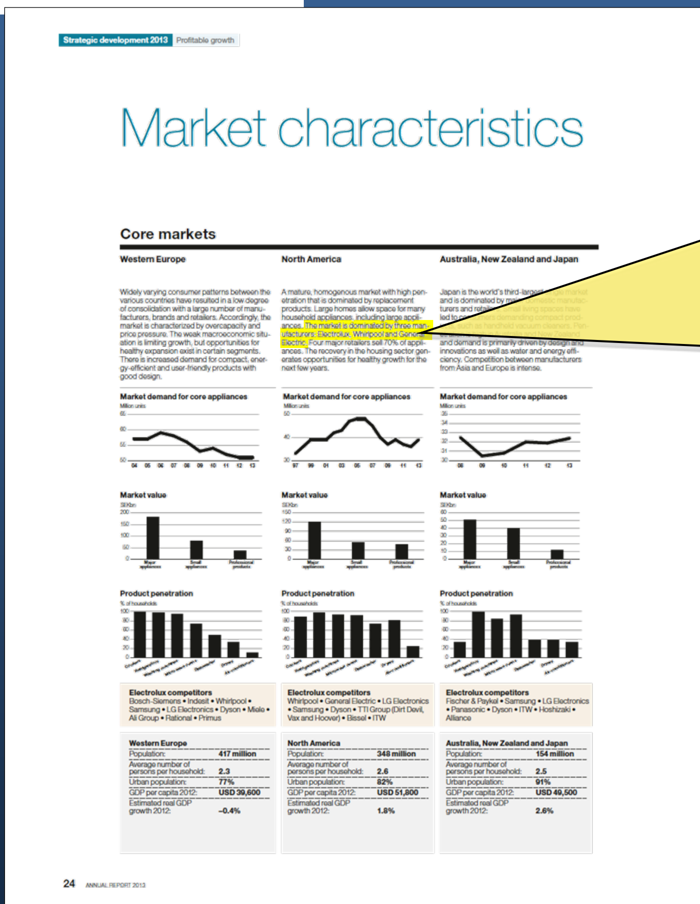
- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

Electrolux, GE, and Whirlpool Are the Dominant Appliance Manufacturers in North America



PX00001

Electrolux, GE, and Whirlpool Are the Dominant Appliance Manufacturers in North America


Strategic development 2013 | Profitable growth

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.

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.

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 (Million units)

Market value (SEKbn)

Product penetration (% of households)

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

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

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

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	
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	
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%

24 ANNUAL REPORT 2013

PX00001 at -026

The market is dominated by three manufacturers: Electrolux, Whirlpool and General Electric.

Electrolux and GE Combined Would Dominate Cooking Appliances

Electrolux

Redacted

[redacted]

PX00882 at -002

Based on both Elux's and GE's strength in REF and CKG, the combined entity would have a dominant position as market leader in those two categories.

Redacted Recognizes Electrolux/GE Would Be Dominant in Cooking

Redacted

Redacted Recognizes GE/Electrolux Be Dominant in Cooking

Redacted

Redacted Recognizes Electrolux/GE Would Be Dominant in Cooking

Redacted

Whirlpool Supports the Merger

FD (Fair Disclosure) Wire

December 17, 2014 Wednesday

TRANSCRIPT: 121714a5569341.741

LENGTH: 19643 words

HEADLINE: Whirlpool Corp Investor Day - Final

BODY:

Corporate Participants

* Chris Conley

Whirlpool Corporation - Senior Director of IR

* Jeff Fettig

Whirlpool Corporation - Chairman and CEO

* Michael Todman

Whirlpool Corporation - President of Whirlpool International

* Marc Bitzer

Whirlpool Corporation - Vice Chairman

* Mike Todman

Whirlpool Corporation - Vice Chairman

* Larry Venturelli

Whirlpool Corporation - EVP and CFO

Conference Call Participants

* Megan McGrath

PX00009

Whirlpool Supports the Merger

Whirlpool

M&A coming, how does that go into your plans for growing top line and being competitive looking forward?

MARC BITZER: You know, Megan, to that point, in short, we actually see what's happening right now as an opportunity for us. Now let me expand on this point.

The GE Electrolux acquisition, which, as you know, is not yet approved and will probably still take some time to improve, but that's not us to make a decision, we see both in the short-term and the long-term that actually has an overall positive outcome for us from a competitive perspective.

First of all, the next six to nine months or whatever -- however long it takes us gives us taxable opportunity in the marketplace, and we see these ones already rising right now. But in the long-term -- actually in particular if you look at the presentation in 2018, Electrolux is an ethical, a value-driven company, and as such, it's a competitor still. But you also know they also have quarterly earnings to make. They have annual earnings to make. They are ethical. They abide by the law, and that, in a competitive landscape, I would say is generally good news.

CHRIS CONLEY: Okay. Next question? Let's go with Ken Zener.

KEN ZENER, ANALYST, KEYBANC CAPITAL MARKETS: Good morning, gentlemen. Ken Zener at KeyBanc. Given what's happening in Russia, I realize you have laid out a large architecture here, but I wonder if you could help us relate how, Michael, you talked about you guys are used to dealing with volatility in Latin America, delivering 9%, 10% margin, giving us 11% margin targets for that region. Clearly there has been a lot of volatility there, and third-quarter volumes were down 10% or 15%. You got 15% of positive price.

For all of us in the room, given what Russia is and I think you said you had roughly $800 million exposure in Russia. That's not pro forma though, so it's going up, right? So if you could just highlight it, that would be with Indesit, that would be useful. But specifically, tell us how you think about how Russia differs from volatility in Latin America, how your cost position might be different, and how your market share impacts your volatility?

MIKE TODMAN: Very timely question. Let me talk to macro and then I would like Marc to speak specifically about Russia. As I said, volatility is not new. It's been pretty extreme the last couple of weeks in currencies, and commodities, in oil, in all those kinds of things. And I will be the first person to say is, we're not very good about predicting those things. And if we thought we were, I would be really worried because we never are.

So our ability to respond I think is the key. And we do -- Latin America is a great example of -- over time, how we -- kind of in my mind is the curve of change is always going to happen, and our job is to be at the front end of that curve. And so if the external environment changes, we have to readily adapt. And so that's been quote-quote our Latin America model, but that's also been our Indian model, too, by the way. Those are two big emerging markets.

Russia for us is largely new. We had a little presence, but with Indesit, the weight of Russia was much, much bigger. Globally though, I would just say Russia in total is probably less than 3% of our revenues next year. So -- and I don't want to minimize it, but first let's dimension it, and Marc, you might then speak in more detail about it.

MARC BITZER: Problem with today's news, it's not surprising that Russia is a key question. Let me first give two fundamental comments and then one more specific operation on what we're doing right now.

DOJ-LIT-00002321-0022

The GE Electrolux acquisition … we see both in the short-term and the long-term that actually has an overall positive outcome for us from a competitive perspective.

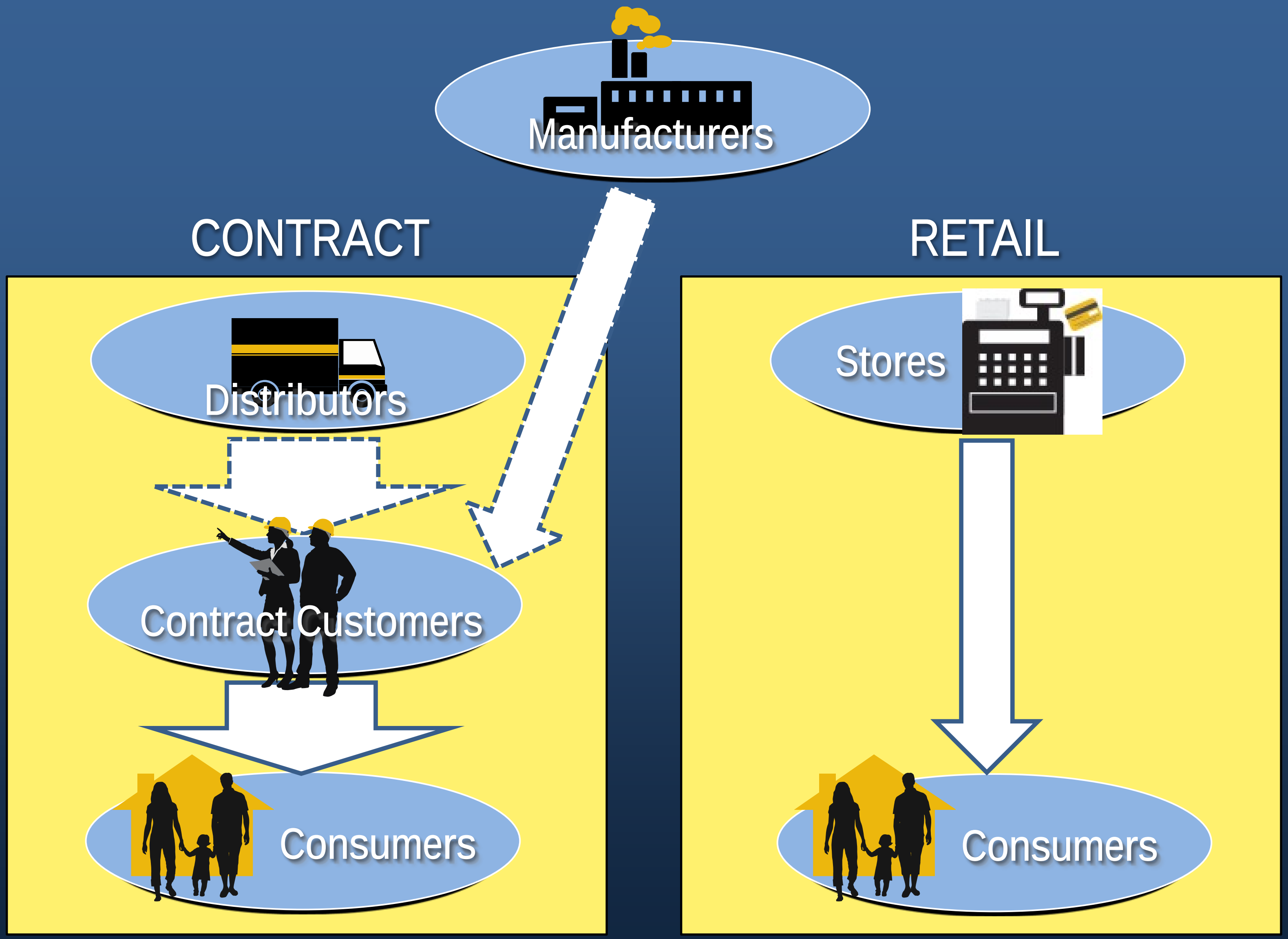
PX00009 at -022

Whirlpool Supports the Merger

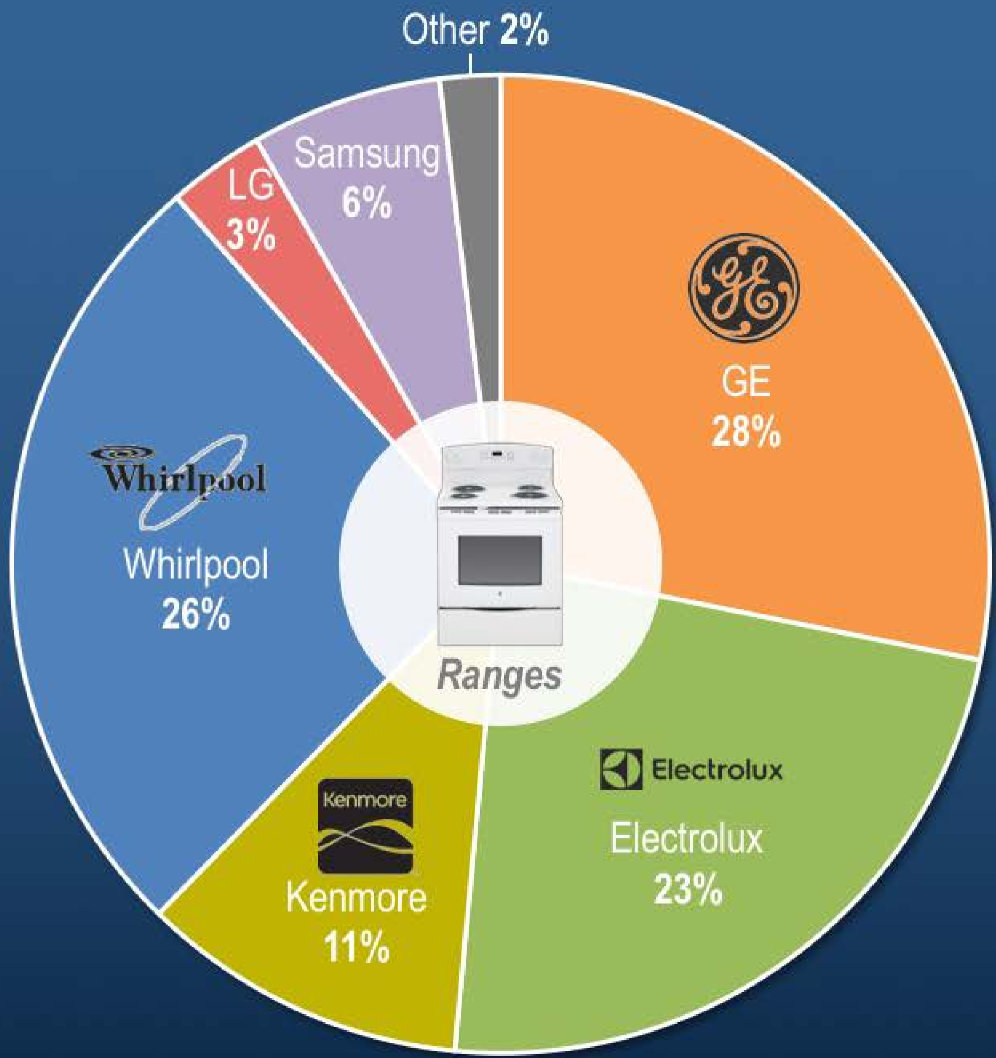
Redacted

[redacted]

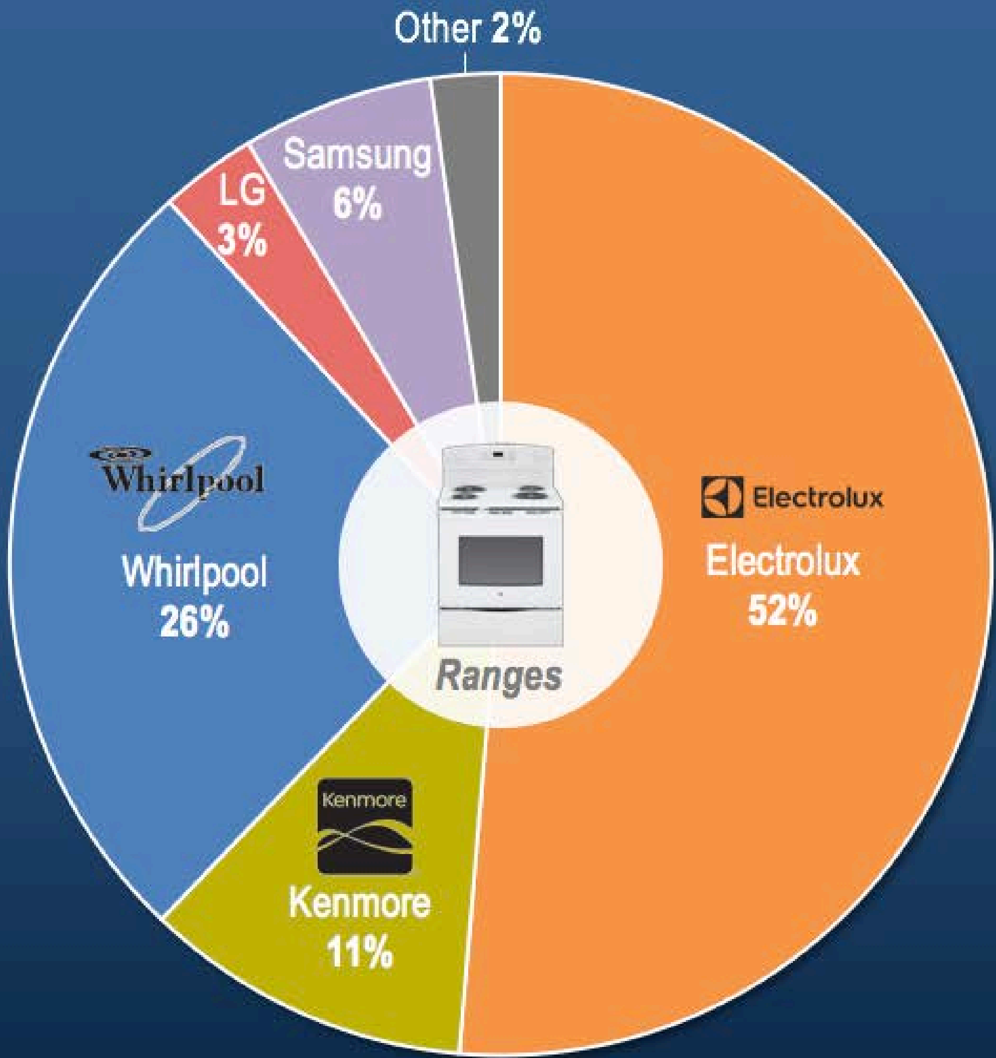
Appliance Manufacturers Sell Through Retail and Contract Channels



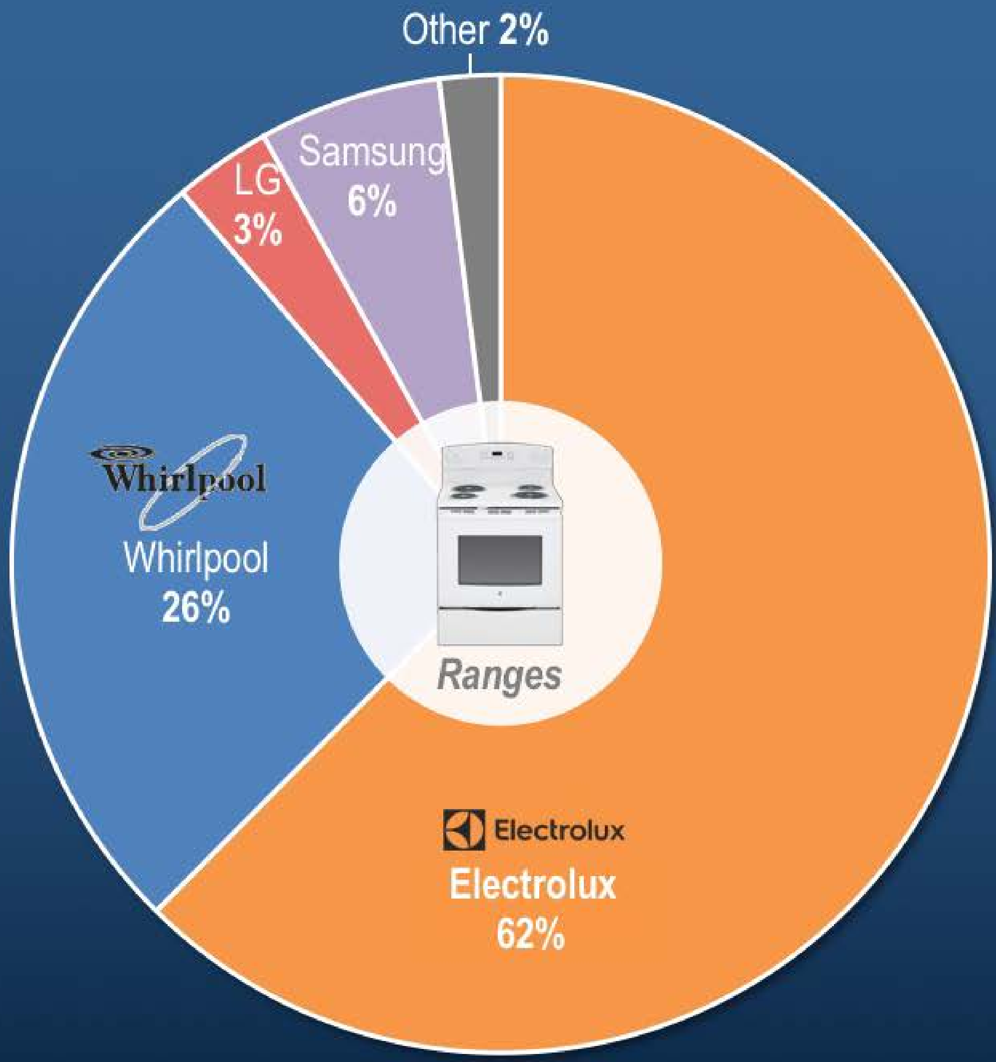
Pre-Merger Shares (Retail and Contract)



Post-Merger Shares (Retail and Contract)

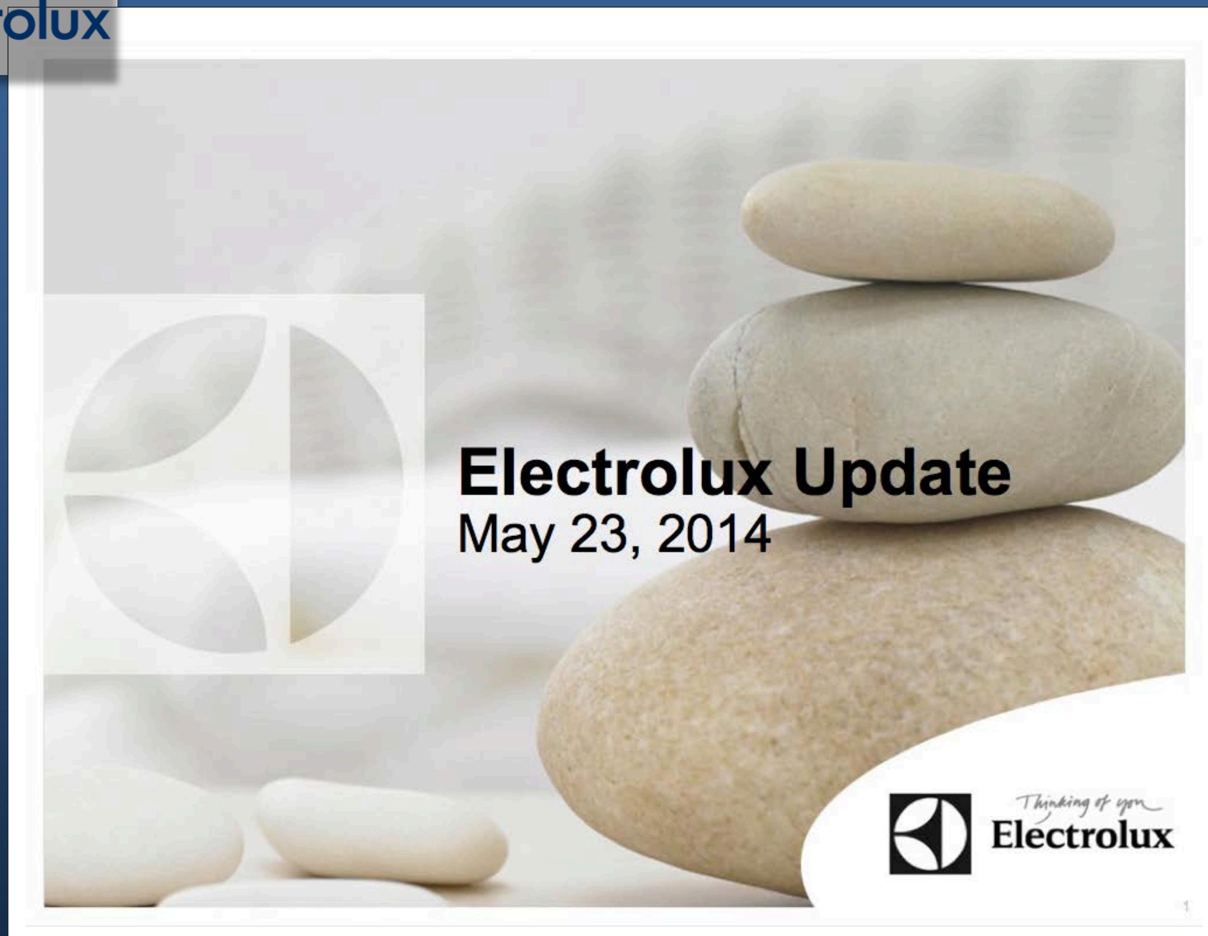


Post-Merger Shares (Retail and Contract)



Electrolux and GE Are Leaders in Cooking Appliances

Electrolux



PX00305

Electrolux and GE Are Leaders in Cooking Appliances

Electrolux

SWOT

Thinking of you
Electrolux

Strengths	Weakness
• Strength in professional appliances • Industry leading laundry features (fastest wash & dry, best cleaning, most energy efficient) • Leading cooking company • Most recognized industry campaign • Design of product	• Historical quality issues particularly for refrigeration • Limited recommendations from sales associates • Continued quality issues for refrigeration • Lack of significant innovation since launch, particularly in refrigeration & laundry
Opportunities	**Threats**
• Opportunity to expand distribution partners into national & dealer accounts • New product introductions including dish & wall ovens • Opportunity to expand into relevant sub-categories (top load laundry, FSFC, top mount refrigeration)	• Aggressive promotions from competitors • Constant "innovation" from competitors • Kitchen product not turning on existing national account

36

Strengths

....

• Leading cooking company

PX00305 at -0037

Electrolux and GE Are Leaders in Cooking Appliances

Redacted

[redacted]

GEA000126330
CONFIDENTIAL

PX01155

Electrolux and GE Are Leaders in Cooking Appliances

Redacted

[redacted]

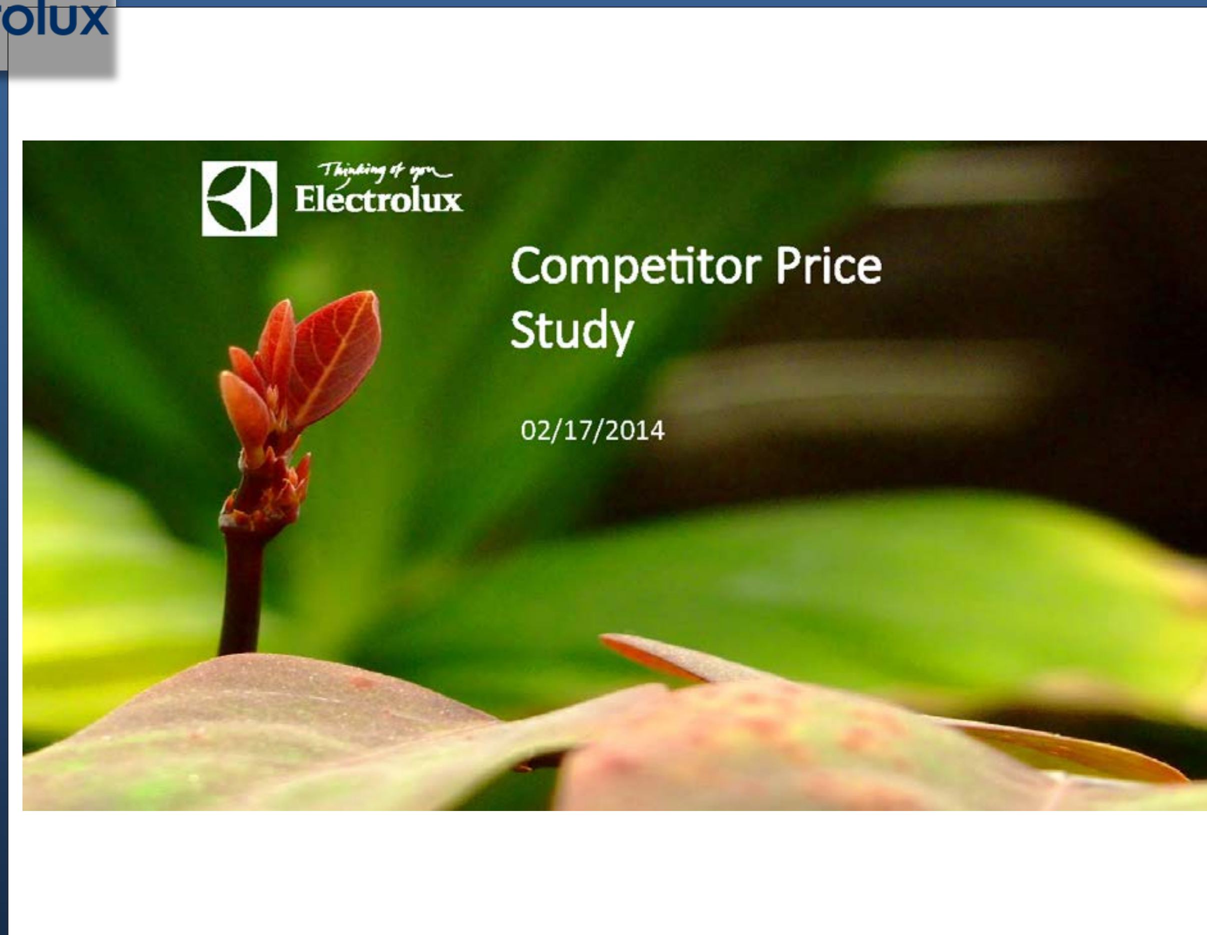
GEA000126330
CONFIDENTIAL

PX01155 at -330

…. leverage our strength in Cooking – this our heritage.

Electrolux and GE Are Leaders in Cooking Appliances

Electrolux



PX00225

Electrolux and GE Are Leaders in Cooking Appliances

Electrolux

Observations

Electrolux

- Through this exercise, we could capture good Competitor price intelligence for Cooking followed by Refrigeration but very limited information for Laundry, Freezer and dishwasher.
- Refrigeration
  - Electrolux is positioned with the lowest prices in the market for Refrigeration with lot more SKUs in Bottom mount and SXS but very limited in Top Mounts
  - Bottom mount has steepest competition with all Brands playing in almost the same price range.
  - Whirlpool over shadows the 18 cuft market and has many competitors SKUs placed in this segment
- Cooking
  - Whirlpool and GE are the Top 2 competitors for Electrolux in Cooking.
  - GE poses very dense competition to Electrolux in CookTops and Ranges.
  - Electrolux placed with an average MAP in the market with Maytag and Kitchen Aid marketing lower priced SKUs both in Cook tops and slide-in ranges segments
- Laundry
  - GE positions some low priced SKUs online in the Top load Washer and Dryer category
  - Though the dealer price for the GE SKUs in higher that Electrolux SKUs, the incart prices shows lower than Electrolux for TL Washer and Dryer.
- Freezer
  - Electrolux SKUs are positioned at higher price points in the market.
  - Electrolux is priced higher in Large Upright but online it shows at a much lower surface/incart price against Whirlpool or GE.

4

PX00225 at -004

- GE poses very dense competition to Electrolux in Cooktops and Ranges

Electrolux and GE Are Leaders in Cooking Appliances

Q. Significant amount of competition between GE and Electrolux in the sale of cooking appliances in the United States?

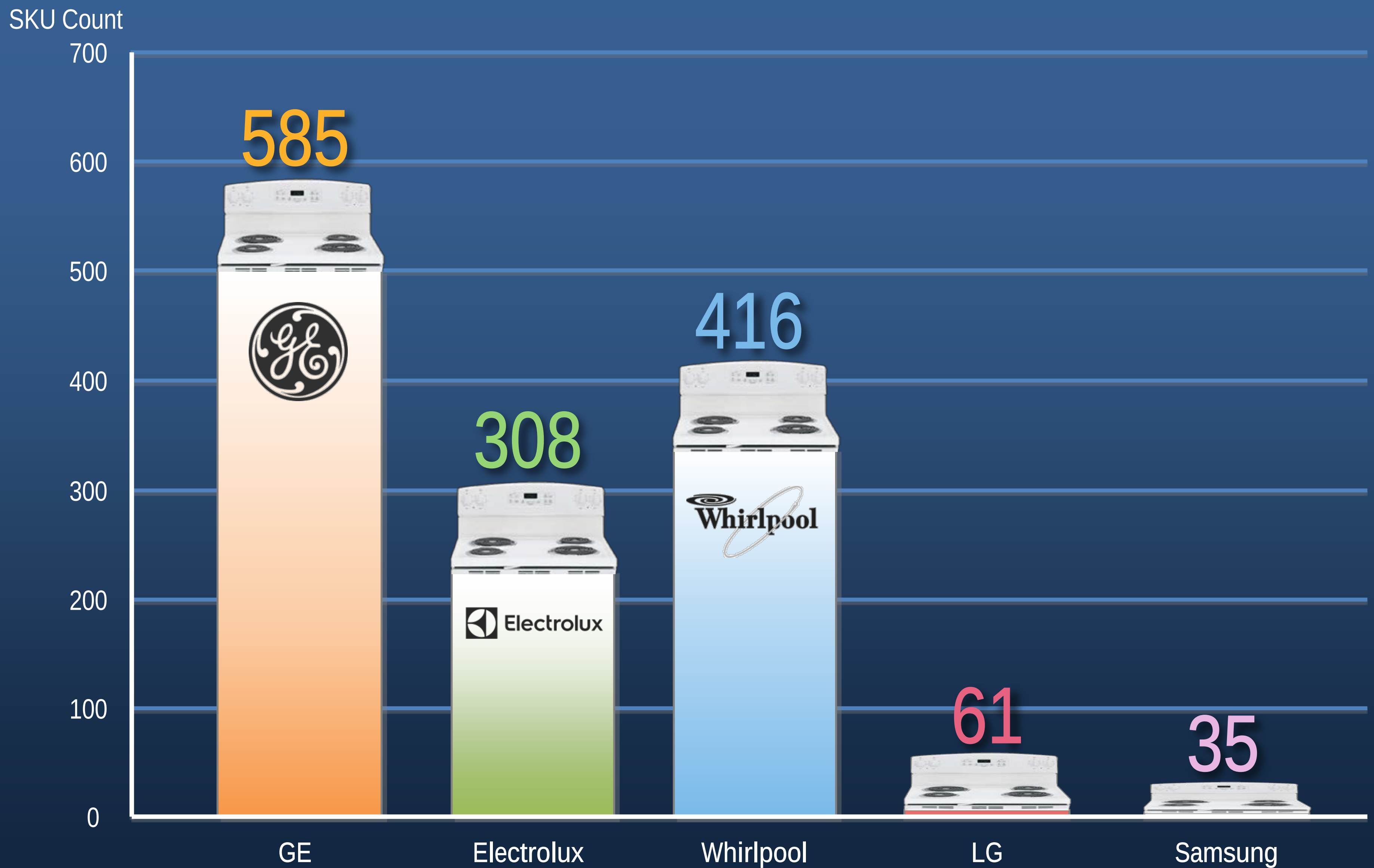
A. Yes.

Q. [Is] Electrolux a formidable and efficient appliance supplier?

A. They are a strong competitor in the market.

- Deposition of Mr. Jonathan Orszag

Electrolux and GE Are Leaders in Cooking Appliances



Examples of Competition: $2,000 Kitchen Package Rebate

Electrolux

Redacted

[redacted]

CONFIDENTIAL ABE01024034

PX00392 at -034

GE is not sitting back ....
The up to $2,000 rebate goes after Electrolux.

Examples of Competition: Guaranteed Wall Oven Fit

GE Fits Guarantee

October 10, 2014

imagination at work

PX01320

Examples of Competition: Guaranteed Wall Oven Fit

The GE Advantage

Size	Manufact.	GE Fits Today	Mfr Share of Install Base
27	GE	Y	40
27	Bosch		
27	Electrolux	Y	6
27	Kenmore	Y	13
27	Thermador		
27	Viking		
27	Whirlpool	Y	27
30	GE	Y	40
30	Bosch		
30	Electrolux	Y	6
30	Kenmore	Y	13
30	Miele		
30	Thermador		
30	Viking		
30	Whirlpool	Y	27
30	LG		
		Total:	86

#1 Install Base

imagination at work

5
GE Title or job number
10/13/15

PX01320 at -0005

Examples of Competition: GE Drives Electrolux's Prices Down

Electrolux

PCR Monthly Update

From:

charles.heis Redacted

To:

mark.d.cha Redacted john.r Redacted

Cc:

david.ne Redacted

Date:

Mon, 03 Oct 2011 18:58:11 +0000

Attachments:

PCR Call report Oct 1.xlsx (48.9 kB)

Mark,

Please find the attached montly update for PCR. I used to send this to Rick.

It is an overview of where we are YTD and what the current status is as well as comp information. Let me know if you would like anything added.

Thanks

PCR Call report Oct 1.xlsx

Regards,

Corley Heiserman
Electrolux Major Appliances
Director PC Richard
Redacted

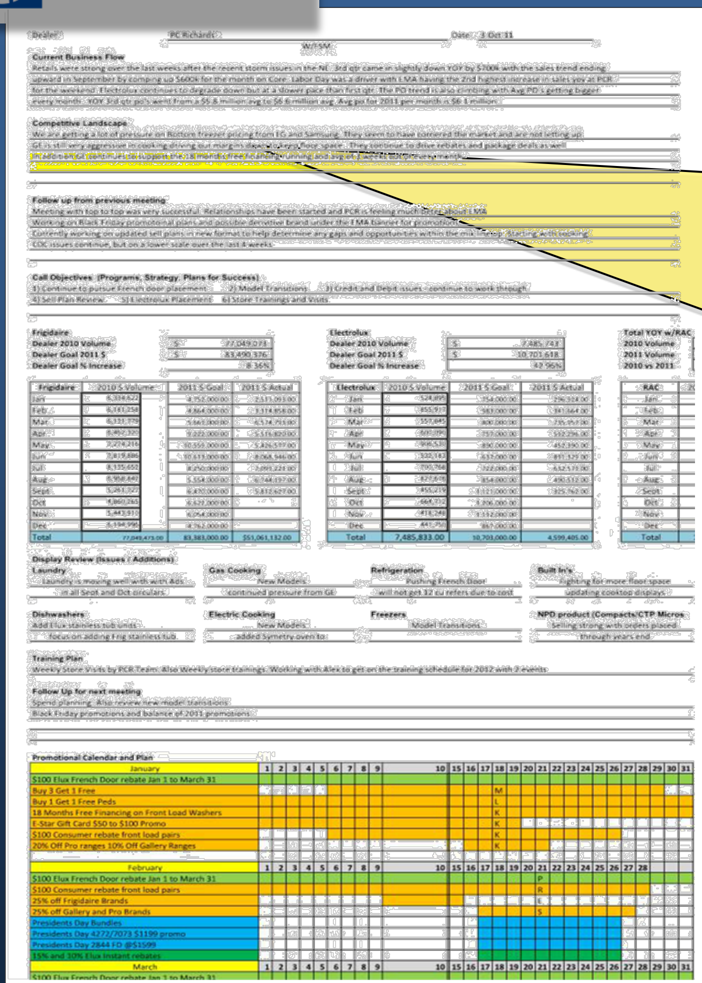
CONFIDENTIAL ABE00329671

PX00318 at -671

Examples of Competition: GE Drives Electrolux's Prices Down

Electrolux

PX00318 at -001

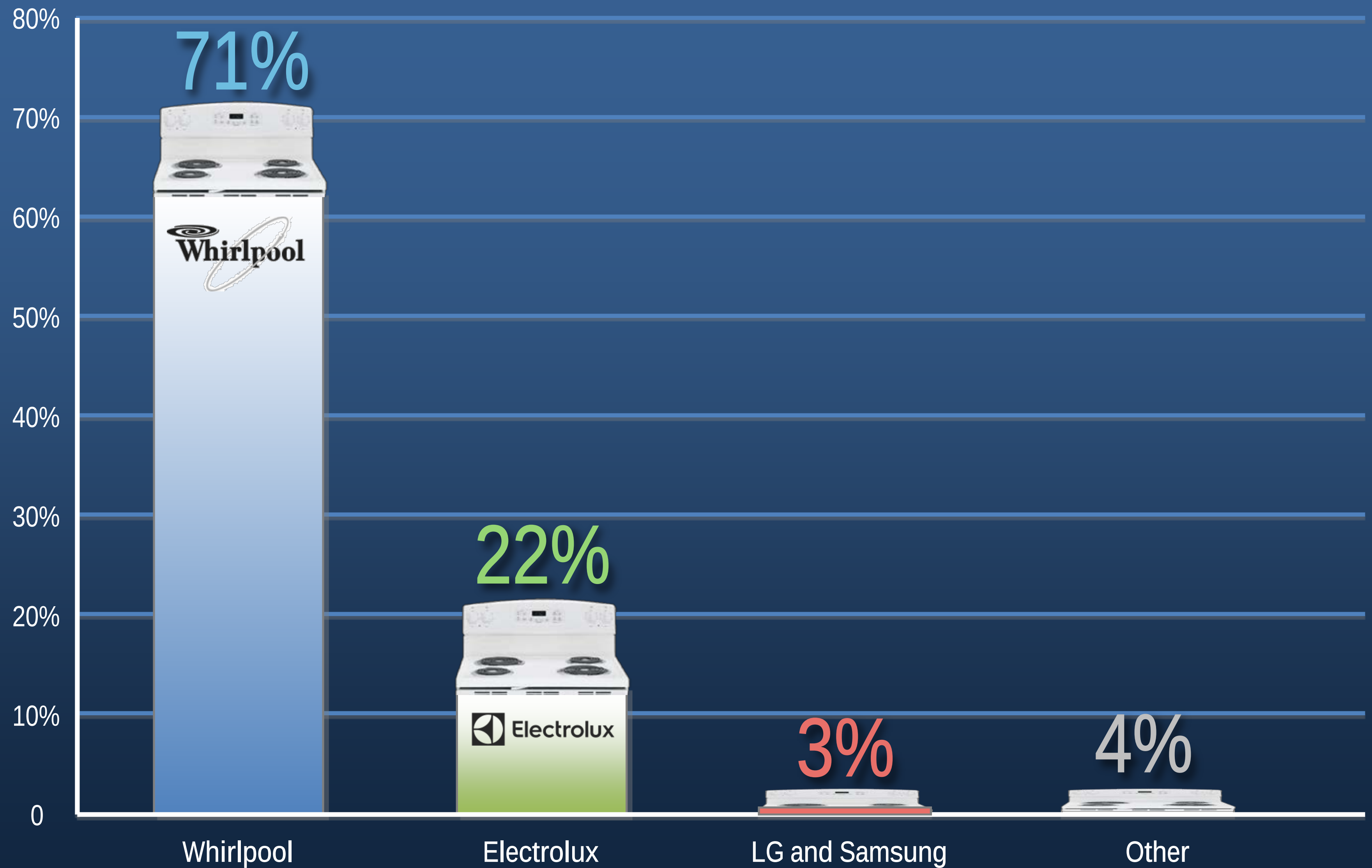


Competitive Landscape

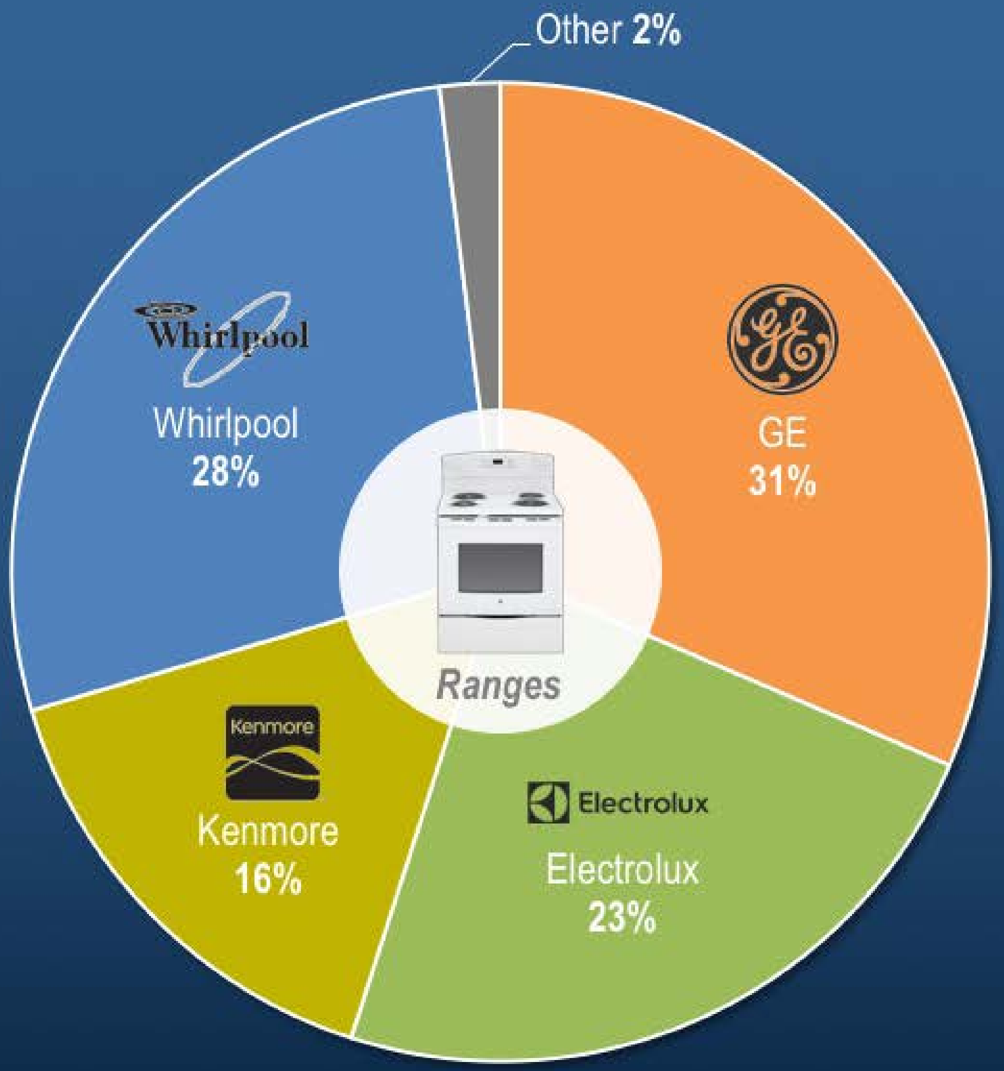
....

GE is still very aggressive in cooking driving our margins down to keep floor space.

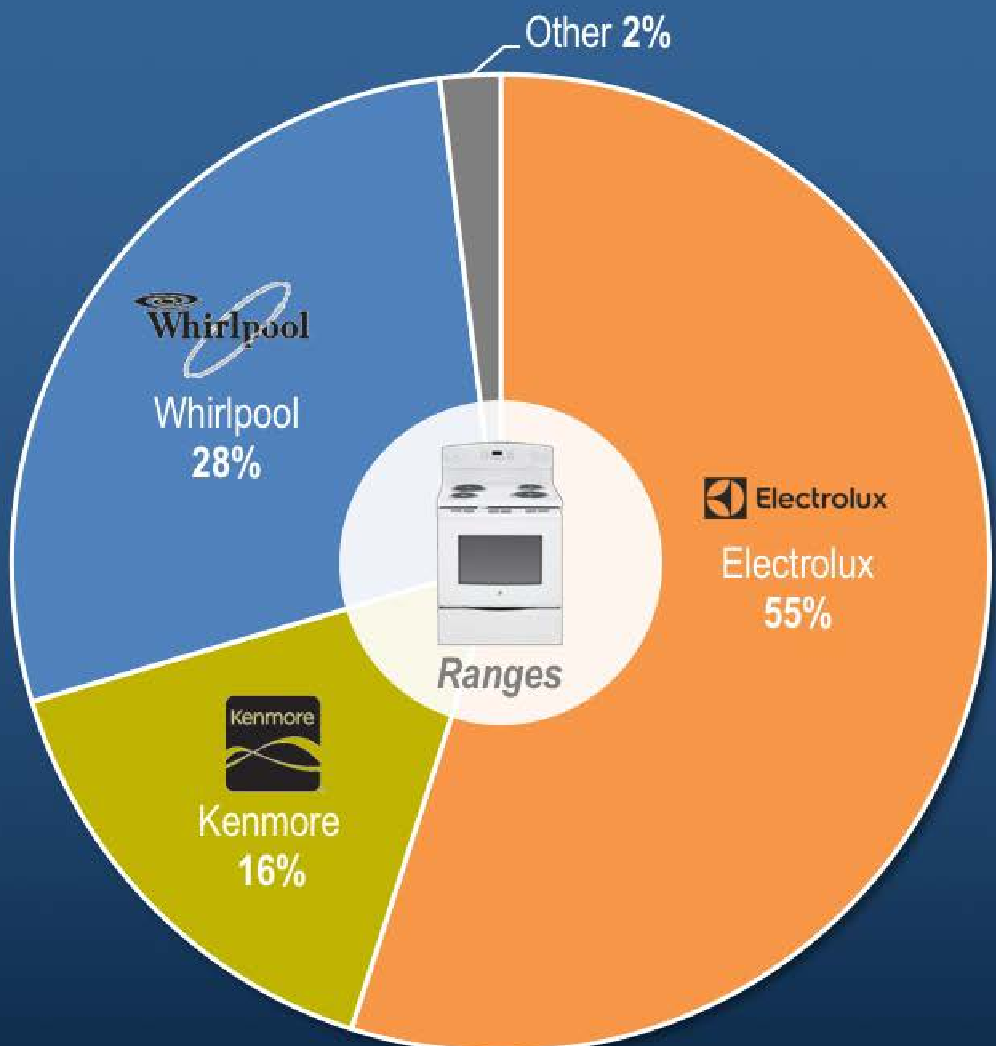
Examples of Competition: GE Lowers Its Price Because of Electrolux Competition (Retail)



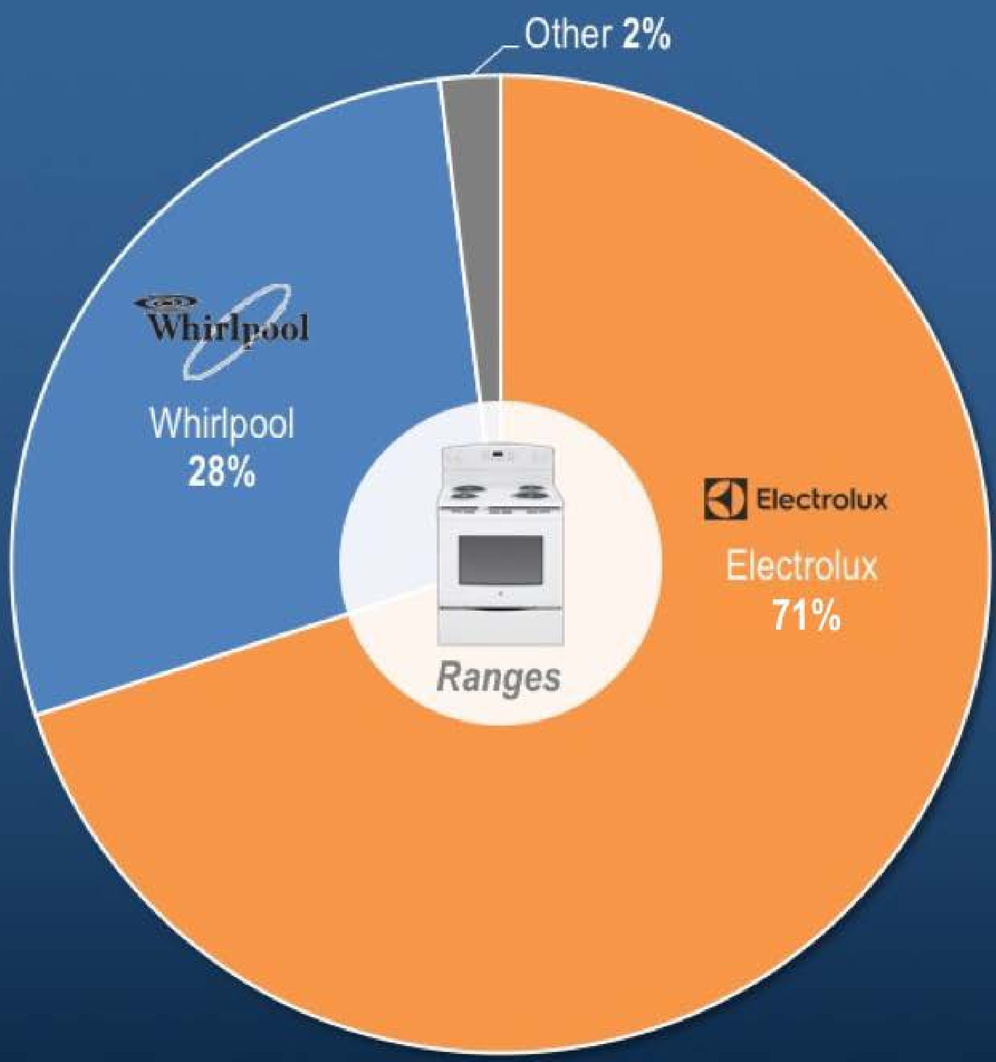
Pre-Merger Shares of Ranges (Lowest Wholesale Prices)



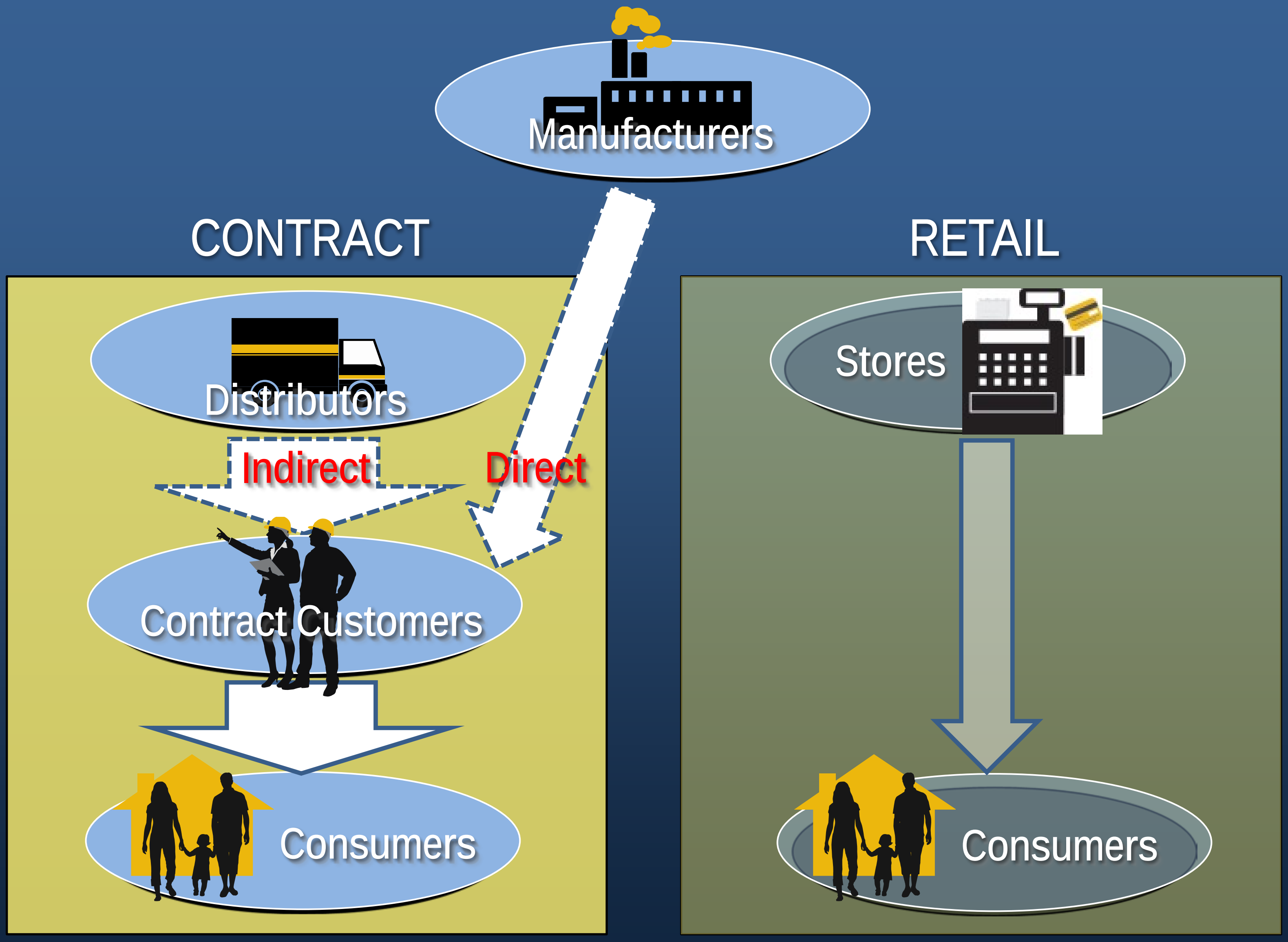
Post-Merger Shares of Ranges (Lowest Wholesale Prices)



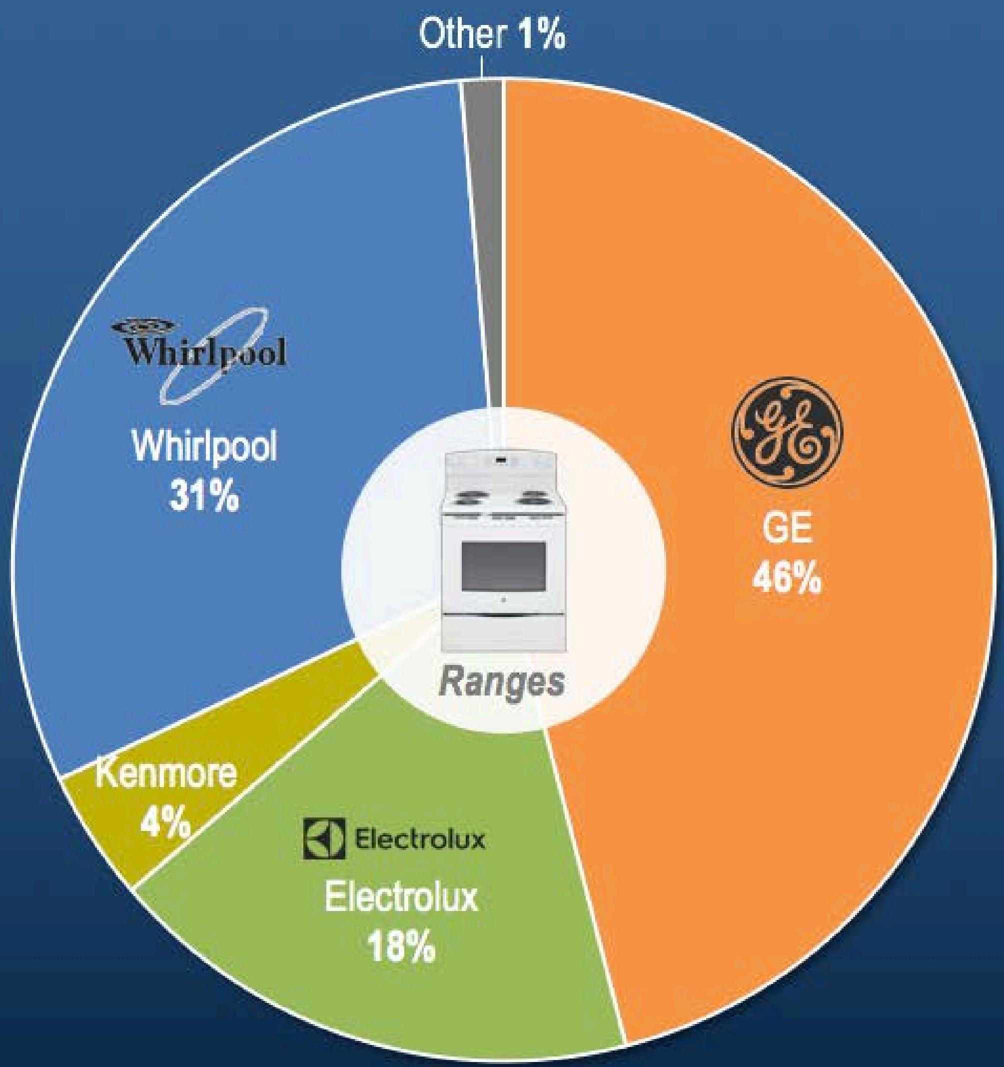
Post-Merger Shares of Ranges (Lowest Wholesale Prices)



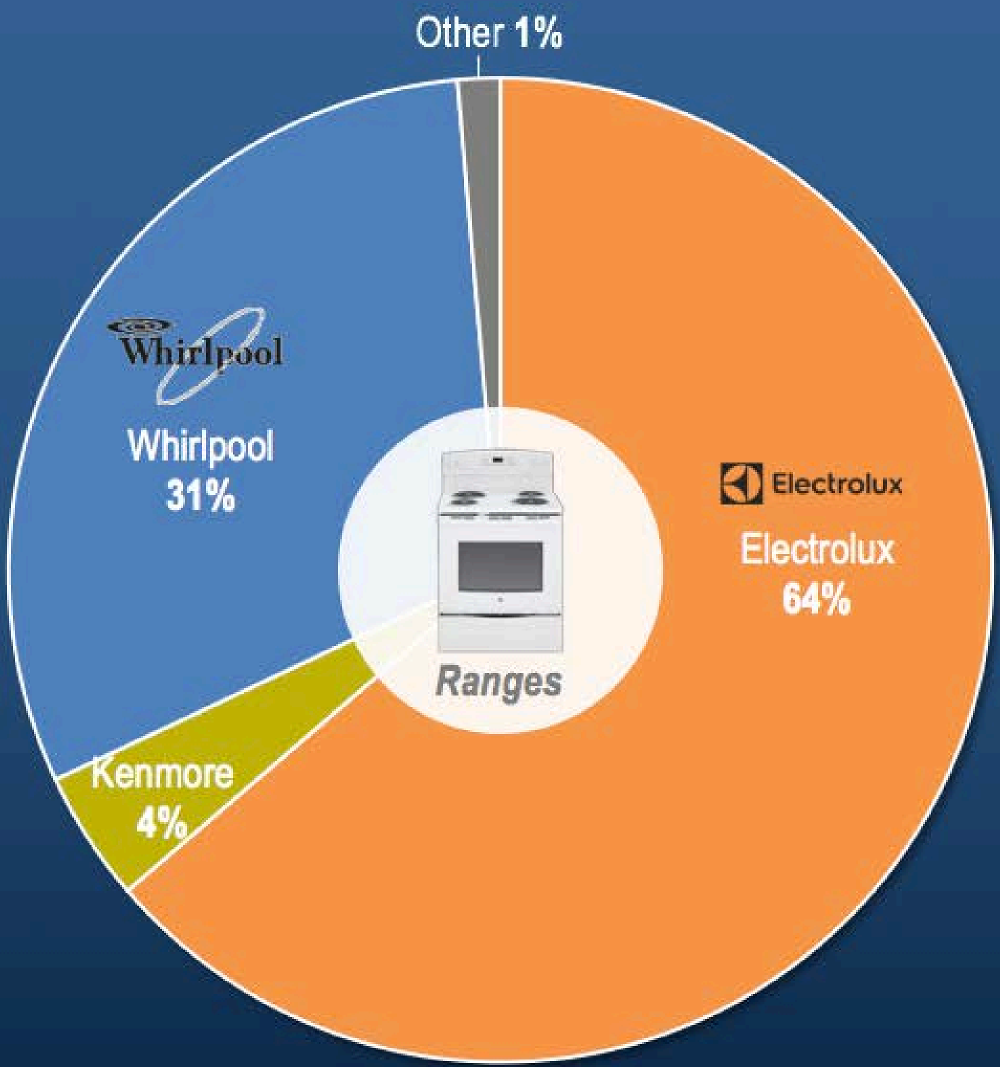
Appliance Manufacturers Sell Through Direct and Indirect Contract Channels



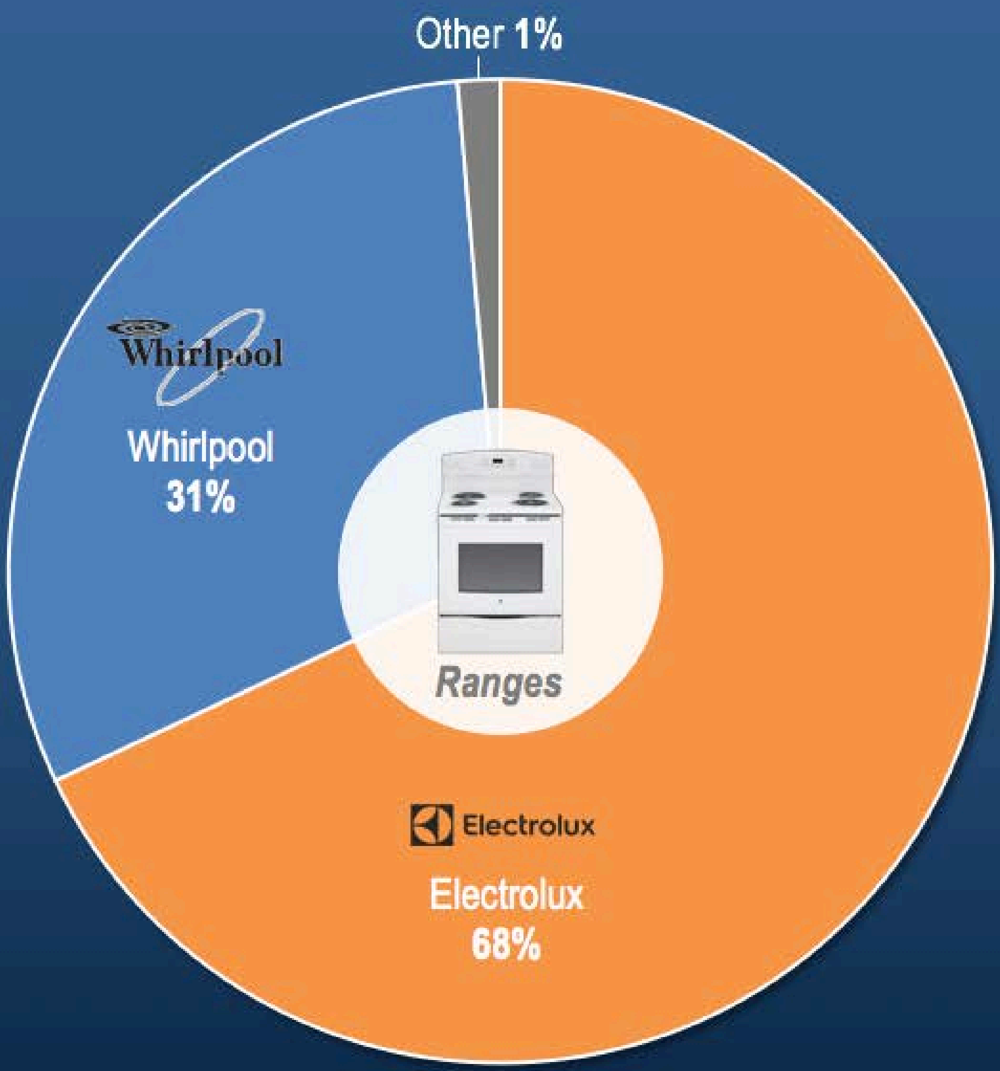
Pre-Merger Shares of Ranges (Contract Only)



Post-Merger Shares of Ranges (Contract Only)



Post-Merger Shares of Ranges (Contract Only)



Electrolux, GE, and Whirlpool Dominate the Contract Channel

From: Surowiec, Paul R (GE, Appl & Light)
Sent: Wednesday, February 13, 2013 2:21 PM
To: Anderson, David W (GE, Appl & Light)
Cc: Rose, Matthew F (GE, Appl & Light); Rhinehart, Keith (GE, Appl & Light)
Subject: Re: 33" Side By Side

Ps. Do not pass this email around. As you know very sensitive topic.

On Feb 13, 2013, at 9:08 AM, "Anderson, David W (GE, Appl & Light)" <DAVID.AN[redacted]wrote:

Outside our multi-year national accounts; most all of our jobs are individually competitively bid against WP and Frigidaire. It is critical that we can compete against their offerings.
Where they see a crack in our product offering; becomes their standard package. So if we were out of the 33" SxS market; if I am the competition, then every SF bid package offering now begins with a 33" SxS that GE would then have to match up with. We would lose those that jobs that specified a 33" side by side for the project IF we were uncompetitive with a dispenser model bfzr. This would hit particularly hard in metro markets that are designing to smaller kitchens. NY, SF, Chicago high rise type projects. Or course if we're not competitive on the refrigerator within the package and lose the job; then we lose all margin for all products. Not having a 33" Side by Side would also knock us out of replacement business.

Very few jobs specify a bottom freezer as the refrigerator format although I would assume that it would be acceptable to job specifiers and architects if the bfzr were similarly equipped as a Side by side with ice and water dispenser at a similar price.

So what you're proposing would be to use a 33" bfzr against WP and Frigidaire's side by side offers on a quote. Do we expect to have a cost position that would allow us to compete against their side by sides?

Couple of comments below. Feel free to call to discuss or set up a meeting and I'll come up to your office to meet.

-----Original Message-----
From: Surowiec, Paul R (GE, Appl & Light)
Sent: Wednesday, February 13, 2013 8:33 AM
To: Anderson, David W (GE, Appl & Light)
Subject:

Tks for talking with keith...one follow up he will have with you is if we don't have a 22 cu ft 33" SXS and have a 22 cu ft 33" bfzr as our unit to sell

1- percent of accounts that will go to bfzr and we get price would need to be able to meet the job spec and be competitive against the 33" competitive product offering (probably a SxS) . . . . then show value to the customer to spend more for bfzr.
2- percent of accounts that we will have to give the bfzr at same price to fulfill need Without a SxS model to meet the job spec and competitive LGQ models; it would drive us try to price match or be uncompetitive in the bid
3- percent of accounts that we will lose if we don't have a 33" 22 cu ft SXS. We would lose those that jobs that specified a 33" side by side for the project if we were uncompetitive with a dispenser model bfzr. This would hit particularly hard in metro markets that are designing to smaller kitchens. NY, SF, Chicago high rise type projects. Or course if we're not competitive on the refrigerator within the package and lose the job; then we lose all margin for all products.

Need this look ASAP.

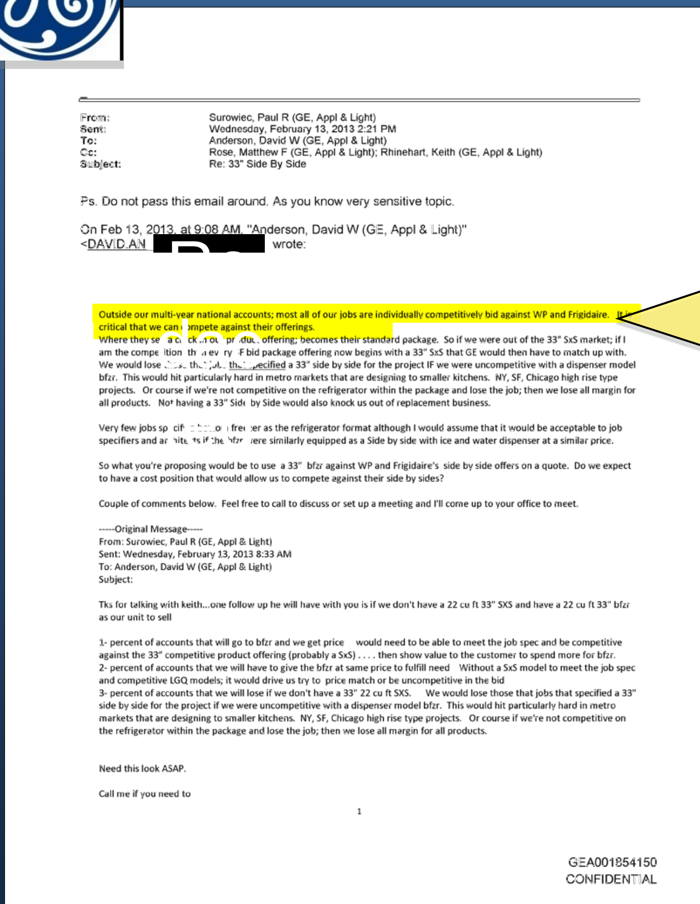
Call me if you need to

1

GEA001854150
CONFIDENTIAL

PX01402 at -150

Electrolux, GE, and Whirlpool Dominate the Contract Channel


From: Surowiec, Paul R (GE, Appl & Light)
Sent: Wednesday, February 13, 2013 2:21 PM
To: Anderson, David W (GE, Appl & Light)
Cc: Rose, Matthew F (GE, Appl & Light); Rhinehart, Keith (GE, Appl & Light)
Subject: Re: 33" Side By Side

Ps. Do not pass this email around. As you know very sensitive topic.

On Feb 13, 2013, at 9:08 AM, "Anderson, David W (GE, Appl & Light)" <DAVID.AN [redacted] wrote:

Outside our multi-year national accounts; most all of our jobs are individually competitively bid against WP and Frigidaire. It is critical that we can [illegible]mpete against their offerings. Where they se[illegible] a c[illegible]ck [illegible] pr[illegible]duc[illegible] offering; becomes their standard package. So if we were out of the 33" SxS market; if I am the compe[illegible]ition th[illegible] ev[illegible]ry [illegible]F bid package offering now begins with a 33" SxS that GE would then have to match up with. We would lose [illegible] th[illegible] jo[illegible] th[illegible]pecified a 33" side by side for the project IF we were uncompetitive with a dispenser model bfzr. This would hit particularly hard in metro markets that are designing to smaller kitchens. NY, SF, Chicago high rise type projects. Or course if we're not competitive on the refrigerator within the package and lose the job; then we lose all margin for all products. Not having a 33" Side by Side would also knock us out of replacement business.

Very few jobs sp[illegible]cif[illegible] [illegible] fre[illegible]er as the refrigerator format although I would assume that it would be acceptable to job specifiers and ar[illegible]hite[illegible]ts if the [illegible]fzr [illegible]ere similarly equipped as a Side by side with ice and water dispenser at a similar price.

So what you're proposing would be to use a 33" bfzr against WP and Frigidaire's side by side offers on a quote. Do we expect to have a cost position that would allow us to compete against their side by sides?

Couple of comments below. Feel free to call to discuss or set up a meeting and I'll come up to your office to meet.

-----Original Message-----
From: Surowiec, Paul R (GE, Appl & Light)
Sent: Wednesday, February 13, 2013 8:33 AM
To: Anderson, David W (GE, Appl & Light)
Subject:

Tks for talking with keith...one follow up he will have with you is if we don't have a 22 cu ft 33" SXS and have a 22 cu ft 33" bfzr as our unit to sell

1- percent of accounts that will go to bfzr and we get price would need to be able to meet the job spec and be competitive against the 33" competitive product offering (probably a SxS) . . . . then show value to the customer to spend more for bfzr.
2- percent of accounts that we will have to give the bfzr at same price to fulfill need Without a SxS model to meet the job spec and competitive LGQ models; it would drive us try to price match or be uncompetitive in the bid
3- percent of accounts that we will lose if we don't have a 33" 22 cu ft SXS. We would lose those that jobs that specified a 33" side by side for the project if we were uncompetitive with a dispenser model bfzr. This would hit particularly hard in metro markets that are designing to smaller kitchens. NY, SF, Chicago high rise type projects. Or course if we're not competitive on the refrigerator within the package and lose the job; then we lose all margin for all products.

Need this look ASAP.

Call me if you need to

1

GEA001854150
CONFIDENTIAL

PX01402 at -150

Outside our multi-year national accounts; most all of our jobs are individually competitively bid against WP and Frigidaire.

Electrolux Is Challenging GE and Whirlpool's Contract-Channel "Oligopoly"

Electrolux

Redacted

[redacted]

CONFIDENTIAL ABE00208366

PX00281 at -366

GE and Wpl have an oligopoly of sorts in the contract world, execute business this way.

Electrolux Is Challenging GE and Whirlpool's Contract-Channel "Oligopoly"

Page 1

LexisNexis®

FD (Fair Disclosure) Wire

April 24, 2013 Wednesday

TRANSCRIPT: 042413a5057960.760

LENGTH: 7654 words

HEADLINE: Q1 2013 Whirlpool Corporation Earnings Conference Call - Final

BODY:

Corporate Participants

* Joe Lovechio

Whirlpool Corporation - Director of IR

* Jeff Fettig

Whirlpool Corp - Chairman & CEO

* Marc Bitzer

Whirlpool Corp - President of North America

* Michael - Mike Todman

Whirlpool Corp - President of Whirlpool International

* Larry Venturelli

Whirlpool Corp - CFO & EVP

Conference Call Participants

* Sam Darkatsh

Raymond James & Associates - Analyst

U.S. v. AB Electrolux
1 : 15-cv-01039-EGS
PX01711

DOJ-LIT-00019350

PX01711

Electrolux Is Challenging GE and Whirlpool's Contract-Channel "Oligopoly"

Whirlpool

up 19% International led by US sell into Lowes, part of that product shift. How clearly can you express to investors that you're not losing share? Which is the fundamental pressure on the stock today, despite the excellent operating leverage sequentially that you delivered.

JEFF FETTIG: Again, let's be clear, first of all AHAM, we're not talking North America were talking the US. AHAM was up roughly 5.8% and we think sell-through was about 2% to 3%. Okay? You talk about the competitor number up 19%. Please remember they entered a major distribution channel during the quarter, which involves -- that has nothing to do with sellout and has everything to do with sell-in.

You also probably note in that release their margins in this category was down 2 points. So, I guess I wouldn't make a plus 19% trade off for minus 2 points of margin. It wouldn't be value creating for our shareholders, so our view is that we're going to earn good business every day. We are investing significantly in a new innovation to bring into market place. We've got great examples where we are gaining share with this innovation.

And we feel fine about where we are in the market share today. To Marc's point, there's business you've got to earn every day and there's business that's transaction oriented. And we do both. And the business that you earn every day we do very well in and the transaction if it's a good transaction we do it.

But candidly as I said in the past, we could gain 2 to 3 points of market share in 90 days in the US market if we wanted to pursue certain types of business. Today, that type of business just isn't value creating.

KENNETH ZENER: Jeff, that was very good and clear. I do appreciate it. Second question, is our forecast, if AHAM was, again, North America was 36 million units, '12 we forecast roughly 42 million in 2015 of which half of the growth comes from housing normalizing the 1.5 million starts.

Can you give investors a little more comfort that your market share, which I believe is roughly 40% nationally as well as 40% new construction, that that growth is predicated upon structural issues like your distribution channel, A, and comment on the profitability of that business relative to the segment in general? Thank you very much.

MARC BITZER: It's Marc Bitzer. First of all on your 2015 industry forecast which I wouldn't confirm but I'm not disagreeing with, first of all, rightfully you point out the two fundamental driver in the long-term industry demand are ongoing replacement cycle and the structural recovering in the housing slash construction.

You, obviously, also noted that all the growth which we've seen in housing permits is still, and we made that point earlier, six to nine months away from housing completions when you typically get the appliance shipments. You get the appliance shipments pretty much on two days before the keys are handed over. So, we're always at the tail end, that also means in 2013 you will still only see a certain portion of the underlying momentum being built in that channel.

But, again, the momentum its building strongly. Now as you look at the market share, and that is I would say the nice thing about this channel in particular, and you asked earlier about certain other brands, that channel is a very, how shall I phrase it? A very captive channel where you are have to earn contracts over many years, these contracts awarded, they're signed, and it's a very difficult channel to manage and serve in the right away.

It takes years of building a capability of contracts and, today, that market is I would say largely two players and a third one is a little bit smaller of a branch we mentioned before of basically not having access to that channel so we are very confident that we're in a very strong position to participate in that growth of the market and I would say almost disproportionate matter.

JEFF FETTIG: And, Ken, I would add to that there is an infrastructure cost to be in that channel also, supply chain cost, service cost, coverage cost. And we're still early in the game I think in the housing recovery. And that infrastructure cost is highly leverageable. It's fixed.

And, so, as that channel grows it's not only a very leverageable from a fixed costs base, but it's a great mix channel for us because the power of our brand portfolio, we give builders package options which they offer to consumers and we see great mix upgrade opportunities throughout our portfolio of brands, so it's a great channel as it's getting healthy. It

DOJ-LIT-00019361

PX01711 at -012

... that market is I would say largely two players and a third one is a little bit smaller of a branch we mentioned before of basically not having access to that channel so we are very confident that we're in a very strong position to participate in that growth of the market and I would say almost disproportionate matter.

Electrolux Is Challenging GE and Whirlpool's Contract-Channel "Oligopoly"

BCG

Electrolux

Electrolux Channel and Growth Strategy

Steering Committee #1

December 18th, 2009

THE BOSTON CONSULTING GROUP

Redacted

ABE04400977

CONFIDENTIAL

PX00726

Electrolux Is Challenging GE and Whirlpool's Contract-Channel "Oligopoly"

BCG
THE BOSTON CONSULTING GROUP

Summary of our perspective on the builder opportunity

Is builder an attractive channel?	• Channel appears attractive, with pre-crash historical revenue in the range of ~$5B • Historically, new starts comprise ~12 – 15% of total appliance market; currently significantly depressed • Current ELUX plans appear reasonable and suggest opportunity to build ~$160 in incremental revenue by 2012
What are key customer segments?	• Two main segments in the market - direct and distributor – roughly equal in size • Developing direct-to-home delivery capability suggests viable access to 45-55% of market • Market fragmented, with large builders (making > 5000 homes p.a.) making up 24% of market, while small builders (making < 300) comprise 64% of market
What will be required to serve the direct segment well?	• Market currently served by duopoly of GE / WHR, and builders are open to a 3rd player • Interviews suggest ELUX/Frig have a strong value proposition, but there are awareness gaps • Table-stakes to enter suggest ELUX must invest in major supply chain and customer service capability building
What are the key risks associated with entry?	• Limited strategic risk perceived in piloting phase is viable • As ELUX builds presence and steals share, some potential to see increased price competition – Believe risk mitigated by current GE/WHR low pricing levels (eg, potentially not much more room to lower price), but important to monitor
What is the (current view) of the business case?	• Preliminary view of the business case suggests that three key dimensions are critical to success – Pricing for direct products (ie, base and mix/inclusion), pricing / implementation of delivery / install service, Incremental logistics costs (operation and investment)

229208-04-SCM#1-18Dec09-vf.ppt THE BOSTON CONSULTING GROUP 49

PX00726 at -0050

Market currently served by duopoly of GE/WHR, and builders are open to a 3rd player

Examples of Competition: Contract Channel

Redacted

[redacted]

Examples of Competition: Contract Channel

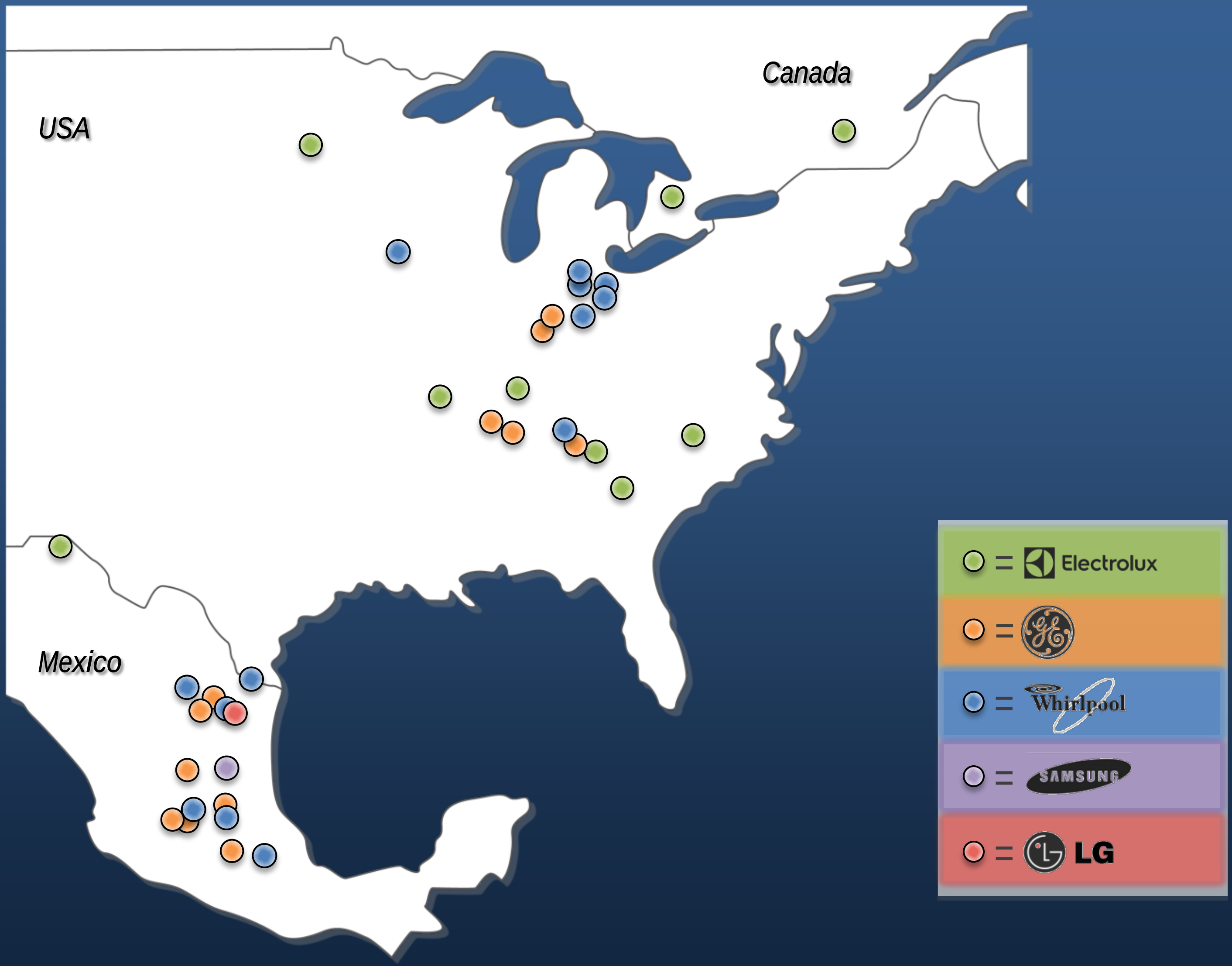
Redacted

[redacted]

Examples of Competition: Contract Channel

Electrolux's Shares of Cooking in the Contract Channel

Examples of Competition: Contract Channel



Examples of Competition: Contract Channel

Redacted

[redacted]

GEA000472521
CONFIDENTIAL

PX01216 at -521

We're about to be fired due to pricing. Frigidaire has come in and busted us. I've been raising this account for years as being too high for the industry but not allowed to take proactive cuts. Chickens came home to roost. They're going to leave us immediately if we don't respond.

Examples of Competition: Contract Channel

GE Appliances

P.C. Richard & Son Briefing Package
December 17, 2013

Chip Blankenship
President & CEO
GE Appliances

AMERICA
AT WORK

GEA000700940
CONFIDENTIAL

PX01271

Examples of Competition: Contract Channel

Redacted

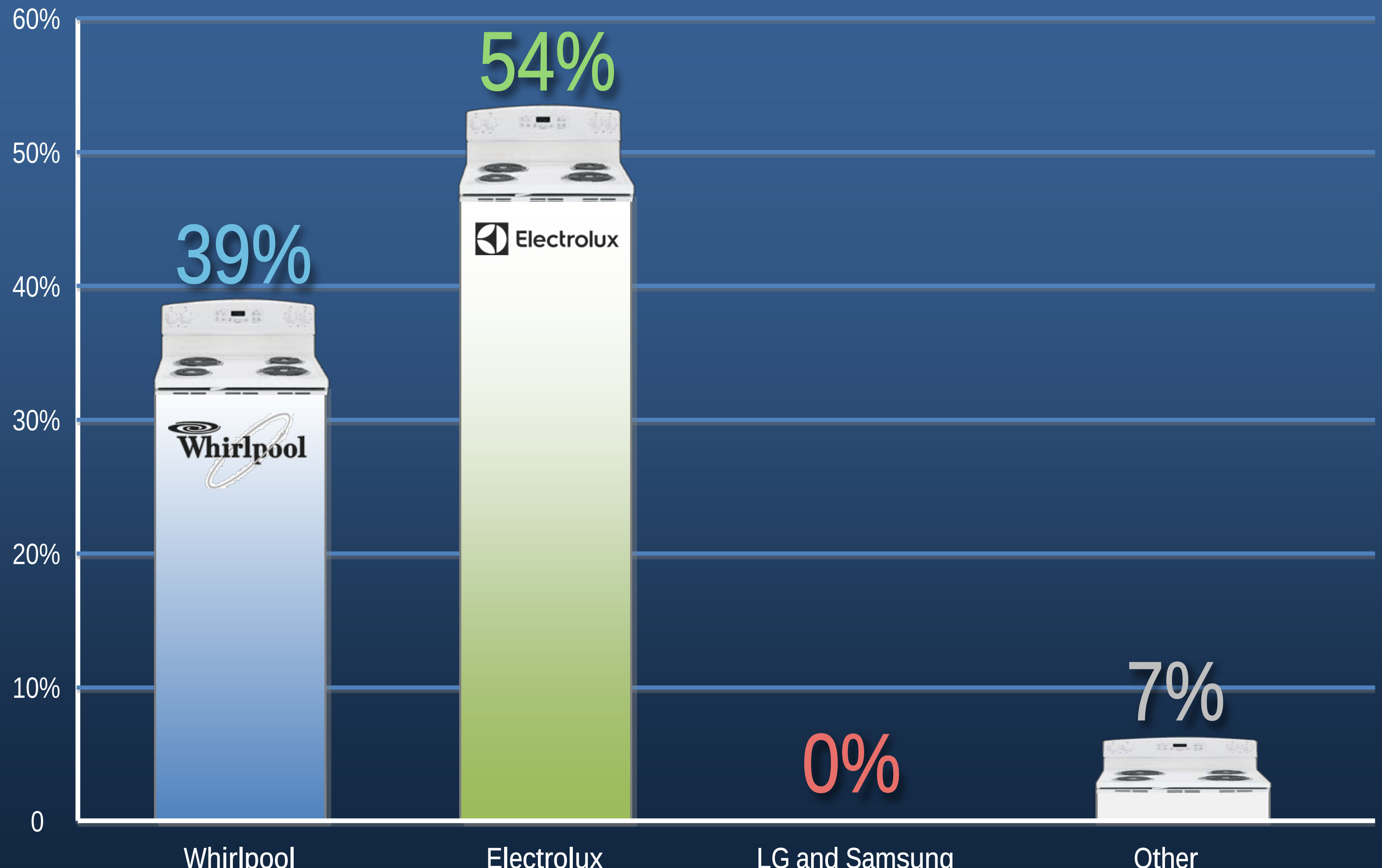
[redacted]

GEA000700947
CONFIDENTIAL

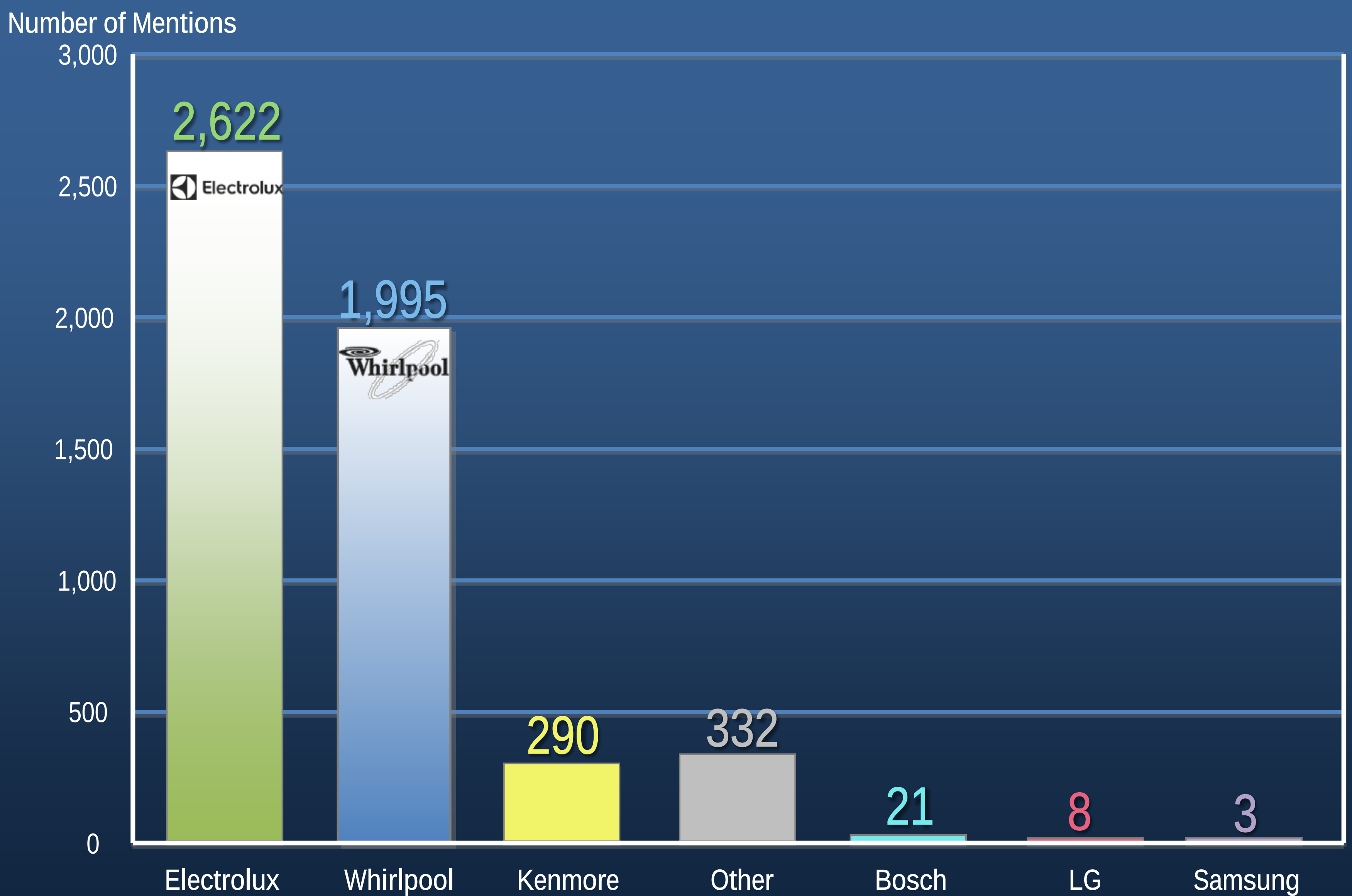
PX01271 at -947

Extremely competitive pricing from Frigidaire continues to place a great deal of pressure on GE's property management business. GE has lost share to Frigidaire in this category.

Examples of Competition: GE Lowers Its Price Because of Electrolux Competition (Indirect)



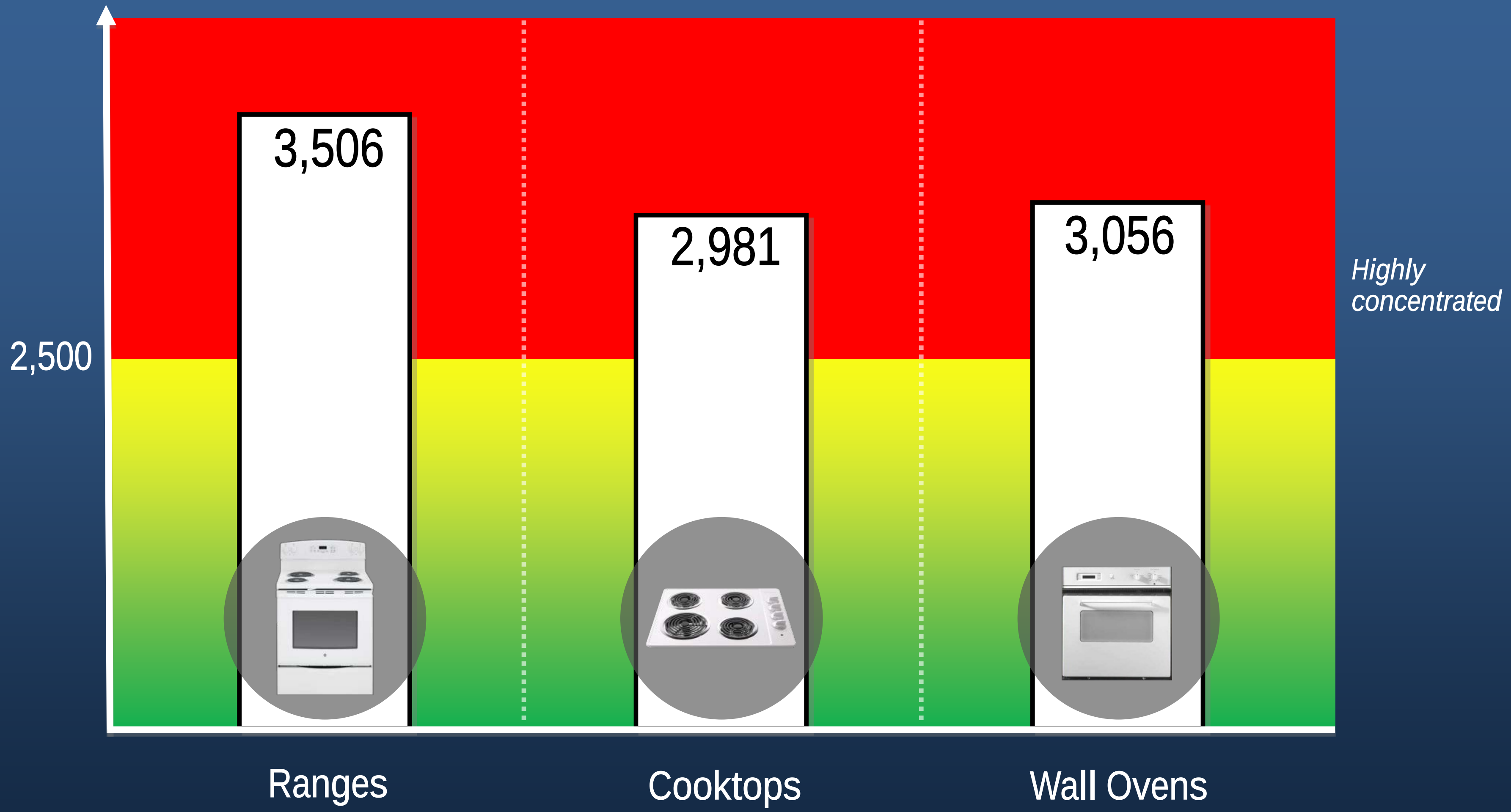
Examples of Competition: GE Lowers Its Price Because of Electrolux Competition (Contract)



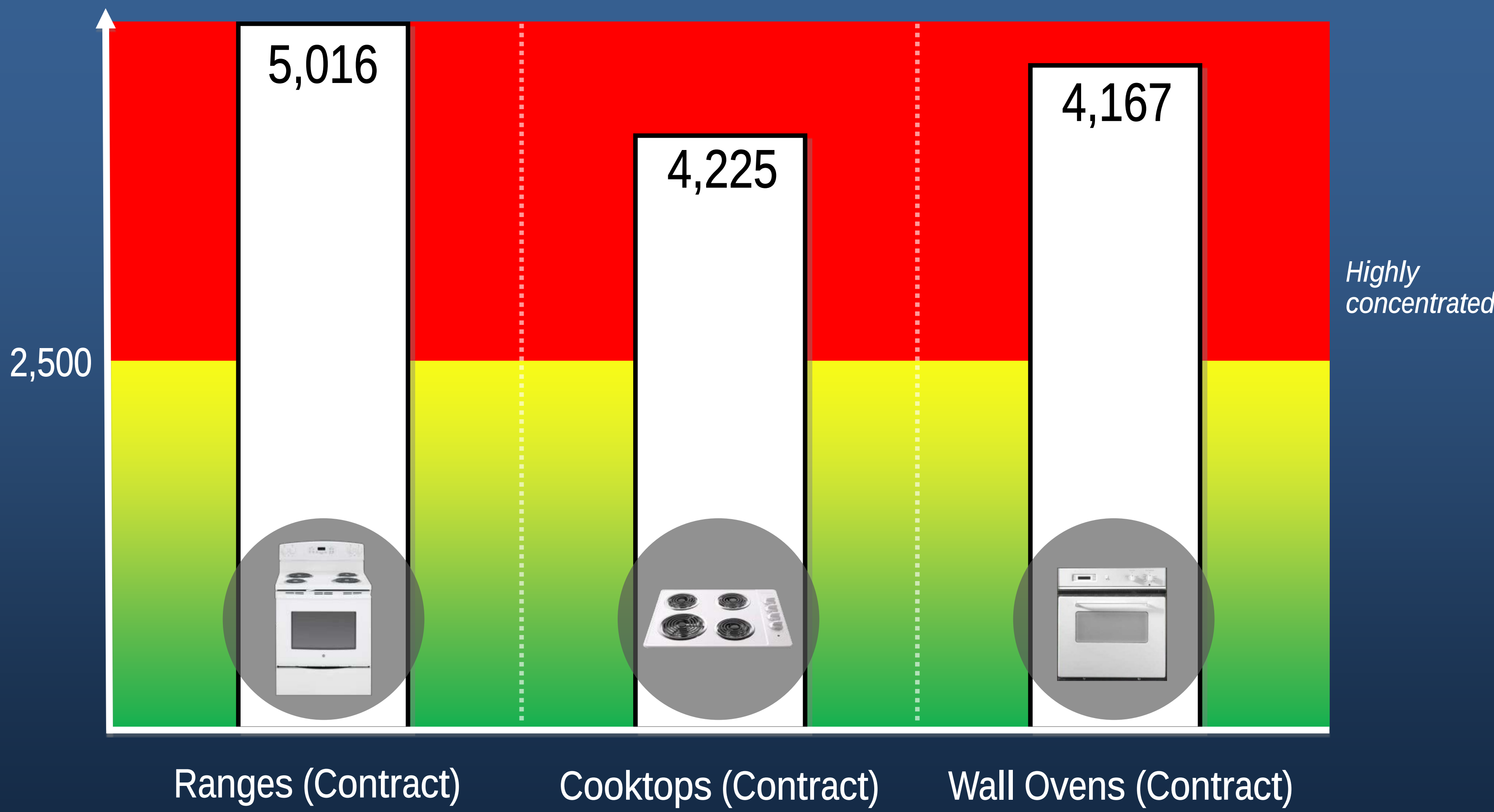
Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

The Merger Would Make the Range, Cooktop, and Wall Oven Markets "Highly Concentrated"



The Merger Would Make the Contract Markets "Highly Concentrated"



The Industry Recognizes the Contract Channel

Redacted

Retail Landscape

Contract Landscape

- Key to the success in contract understands not only the difference between retail and contract but the difference in the segments.
- That is why we completely separate the channels
- It is about service, quality and distribution in contract vs. price

Redacted

PX01421 at -906

PX01421 at -907

The Industry Recognizes the Contract Channel

PX00920

The Industry Recognizes the Contract Channel

Characteristics of a Successful Competitors — Electrolux

- Dedicated service teams – both pre/ post sale plus customer specific order service teams
- Factory Service
- Builder specific on-line resources and marketing materials
- Builder applicable return policy/ processes – 24 turnaround
- Model Home programs, including competitive swap outs
- Dedicated training resources for Design Centers/Model Homes
- Easy to make, community specific brochures
- Direct delivery and installation teams that are on-time
- Industry partners (Homesphere, ABG)
- Design Center program including competitive change outs
- Near 100% availability
- Limited model transitions
- Same cut outs and electrical through the upgrade strategy
- The ability to sell kitchen packages with a consistent appearance and a simple upgrade path from base to Ultra Premium
- Easy ordering including an on-line option and Supply Pro Connect solution
- Streamlined parts ordering process
- 24 hr customer service center
- Competitive Programming (VR's etc)

Characteristics of a Successful Competitors — Electrolux

- Innovative and desirable products
- Strong distribution partners
- Lead tool
- A portfolio of ADA and Estar qualified products
- Knowledge of Local/State/Federal codes and regulations
- Knowledgeable and responsive sales teams
- Easy to access specs
- Relationships in the Designer and Architect community
- Virtual design centers/CAD software support
- Ability to offer Extended Warranties
- A strong social media and product placement presence
- Supportive in the Green initiative
- Smart Grid compatible products
- Builder specificb illing options
- Segment specific approaches
- Builder specific dedicated inventory
- Collaborative credit process
- Portfolio of additional products like RAC, H20 products (RO's, Softeners, Heaters etc) and niche products like 24" compact ranges
- Industry recognition (ex Energy Star Partner of the Year, JD Power, Consumer Reports, Builder Publications)

PX00920 at -0051, -0052

- Dedicated service teams – both pre/post sale plus customer specific order service teams

....

- Direct delivery and installation teams that are on-time

....

- Near 100% availability
- Limited model transitions

....

- The ability to sell kitchen packages with a consistent appearance and a simple upgrade path from base to Ultra Premium

....

- Builder specific dedicated inventory

The Industry Recognizes the Contract Channel

CHARACTERISTICS AND REQUIREMENTS UNIQUE TO THE CONTRACT CHANNEL (2013*)

1. PACKAGE SELLING – A builder buys an entire appliance package. The base package is most cost-critical and must contain models with comparable features and brand-equity to those offered by competitors. GEA's offering is only as strong as the weakest product or brand (as perceived by the builder and end-user) in each package. This becomes truer, and poses a bigger risk/opportunity, as one moves-up the product line within each brand and from one brand up to the next. Product and brand strategies need to recognize this characteristic, especially when SKU reductions, moratoriums on new SKUs or brand changes are being considered.

2. MULTIPLE PROJECTS – Similarly, because many builders have separate projects targeted toward various income levels of buyers, GEA's ability to be a 100% partner is only as strong as the weakest package GEA can offer for any one of the projects. Builders utilize different product packages and appliance brands to differentiate levels of homes within a community, between their own nearby communities and from nearby communities of other builders.

3. 100% AVAILABILITY – Since firm contracts for specific appliance models are signed many months prior to delivery, builders believe 100% availability is reasonable. If products are not available when ordered, builders or GEA incur extra labor/installation costs and delays. Because appliances are installed near the end of the construction process, these costly delays are quite visible and occur as negotiations are underway on the builder's next project or contract. To monitor the impact of product non-availability, we should generate a percentage, by segment, based on a YES or NO answer to the question, "Was the entire order shipped complete?". This gives a different perspective than measuring the availability of each SKU in the package. For example, if the package contains a wall oven, cooktop, hood, microwave oven, trim kit, dishwasher, refrigerator, washer and dryer and each product has 97% availability, the Rolled Throughput Yield is only 76%. Especially with today's percentage of electronic ordering and payment, any order not shipped complete causes complexity, re-work and delay in payment.

4. INVENTORY OVERLAP – Contract has a unique lag period due to construction schedules and the start-up/completion of project phases. It is critical that inventory overlaps be built into the NPI process. Because a builder wants to have continuity throughout a project, model changes and substitutions frequently are not acceptable. Products (especially range products) in a package must match.

GEA000020057
CONFIDENTIAL

CHARACTERISTICS AND REQUIREMENTS UNIQUE TO THE CONTRACT CHANNEL (2013*)

5. SUPPORT SERVICES – Because Retail dealers carry other brands in addition to GEA's, they can compare our performance in areas such as product availability, order entry and product service and know GEA is superior. In Contract, builder customers often are 100% GEA. We simply must meet their expectations. They may not be aware, nor do they care, that our performance is superior to competitors'. They only know that if GEA's performance is not meeting their expectations, it is reasonable for them to assume the competitor will perform better. As compared to a Retail dealer who may depend on GEA for 30% or more of their sales, a builder reminds us that appliances represent only [illegible] of the cost of the living unit and certainly should not represent a disproportionate amount of difficulty in building the living unit.

6. NEW PRODUCT LEADERSHIP – Responding to contemporary consumer/builder buying trends, understanding the increasing importance of brands as the kitchen becomes more open, recognizing diverse cooking practices in certain markets and identifying niche segments are essential so that a strong package can be maintained. Industry-leading new products, led by the cooking surface and oven which have become the focal points of the kitchen, are the best way to achieve market share growth and leverage. We cannot afford to simply look at our existing product lines and those of our competitors and "manage by national average".

7. ANNUAL PRODUCT INTRODUCTIONS – Construction periods do not match Retail selling seasons. The best time to introduce Contract-oriented products and/or new models is near year-end. This allows ASMs to discuss new products/models, and possibly get a price increase, during annual contract negotiations. Frequently, we miss the opportunity for price/margin increases when new models are subbed for old models on a contract during the year.

* List originally developed in 1988. Updated for January, 1994 presentation to Product, Marketing and Brand Managers attending the 1994 NAHB Show. 2013 updates are shown in RED.

GEA000020058
CONFIDENTIAL

PX01130 at -057, -058

The Industry Recognizes the Contract Channel

From: Boyd, John D (GE, Appl & Light)
Sent: Friday, June 06, 2014 9:13 PM
To: Anderson, Steven M (GE, Appl & Light)
Cc: Trujillo, Paula (GE, Appl & Light)
Subject: Re: Contract and Retail Selling Differences

Steve not sure where that came from. There is zero talk of merging the two sale forces. Rob is simply taking an interest in our team. He understands the value of the Contract ASM.

Sent from my iPhone

On Jun 6, 2014, at 4:58 PM, "Anderson, Steven M (GE, Appl & Light)" <STEVEN.M.AND Redacted > wrote:

John, good afternoon. Paula asked me to look at some of the slides highlighting the differences between Contract and Retail job responsibilities and markets. In so doing she indicated that Rob might be using some of this information for Immelt. She mentioned that there were some possible thoughts about the merging of both job responsibilities .We have tried to merge contract and retail jobs in the past and it has always been a terrible failure. As you probably know both positions require a different skill set, have huge differences in customers bases and require different sales strategies and techniques. I can remember GE trying this 4 different times and it always failed. One of the reasons, as you probably know, that we have been so successful over the last 60 years in contract is our specialization, skill set, knowledge of the customer base / industry and our ability to handle the Builders issues quickly… All of our advantages would be diluted if the position was merged with Retail. Thanks Steve

1

GEA000131756
CONFIDENTIAL

PX01161 at -756

We have tried to merge contract and retail jobs in the past and it has always been a terrible failure….

[B]oth positions require a different skill set, have huge differences in customers [sic] bases and require different sales strategies and techniques.

Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

The Market Share Statistics Understate the Merger's Likely Effects on Competition

- ✓ Electrolux and GE compete head-to-head each and every day
- ✓ Electrolux and GE have leading positions in cooking appliances
- ✓ Electrolux and GE have leading positions in the lower price segments
- ✓ Electrolux has directly challenged GE's dominance for contract channel purchasers
- ✓ Economic analysis also shows likely harm

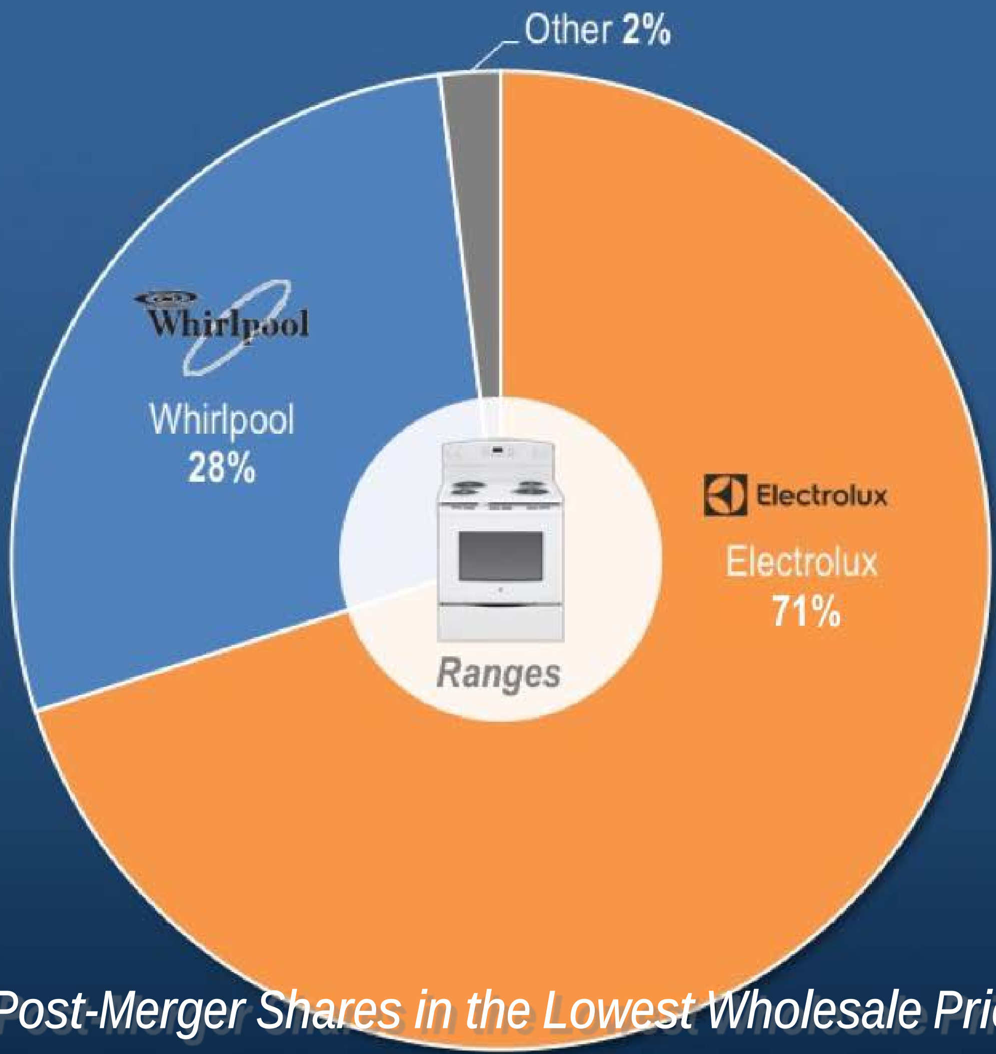
Professor Whinston's Economic Analysis Is Conservative, Robust, and Dynamic

- Professor Whinston accounts for all competitors
- Professor Whinston treats Kenmore as an independent competitor
- Professor Whinston doubled LG's and Samsung's size and found that does not change the results
- Professor Whinston considered entry

Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects



Post-Merger Shares in the Lowest Wholesale Prices

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

From: Posthauer, Robert (GE, Appl & Light)
Sent: Thursday, May 08, 2014 3:58 PM
To: Blankenship, Charles (GE, Appl & Light, GE Officer, US)
Subject: Depot marg[redacted]egotiating Points
Signed By: Robert.Post Redacted

A few quick thoughts on why we might provide less margin for THD than our comp. I shared with THD team for their battles. You likely don't need it but just thought I would share with you in case you get a call.

Why should I make less on GE? Really you are not, here are a couple thoughts:

Jumbo:

GE invested more time and money to support The Home Depot's Jumbo initiative than any other vendor.

Brands:

GE is the only manufacturer to offer an exclusive Brand for the Home Depot (Adora).

GE offers a broad, complete portfolio of products across all segments vs Frig only in the bottom half and LG/Samsung only in the top half. GE serves all customer needs

Promotions:

GE's retail promotional strategy begins with The Home Depots floor models and promotional plans.

Field Support:

No other manufacturer has 140 sales people serving THD stores in the US.

Service:

GE is the only manufacturer to offer national coverage of Factory Service.

Product Development:

THD product development partnership i.e. Slate etc...

Logistics:

1

GEA000075678
CONFIDENTIAL

PX01151 at -678

... Frig only in the bottom half and LG/Samsung only in the top half.

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

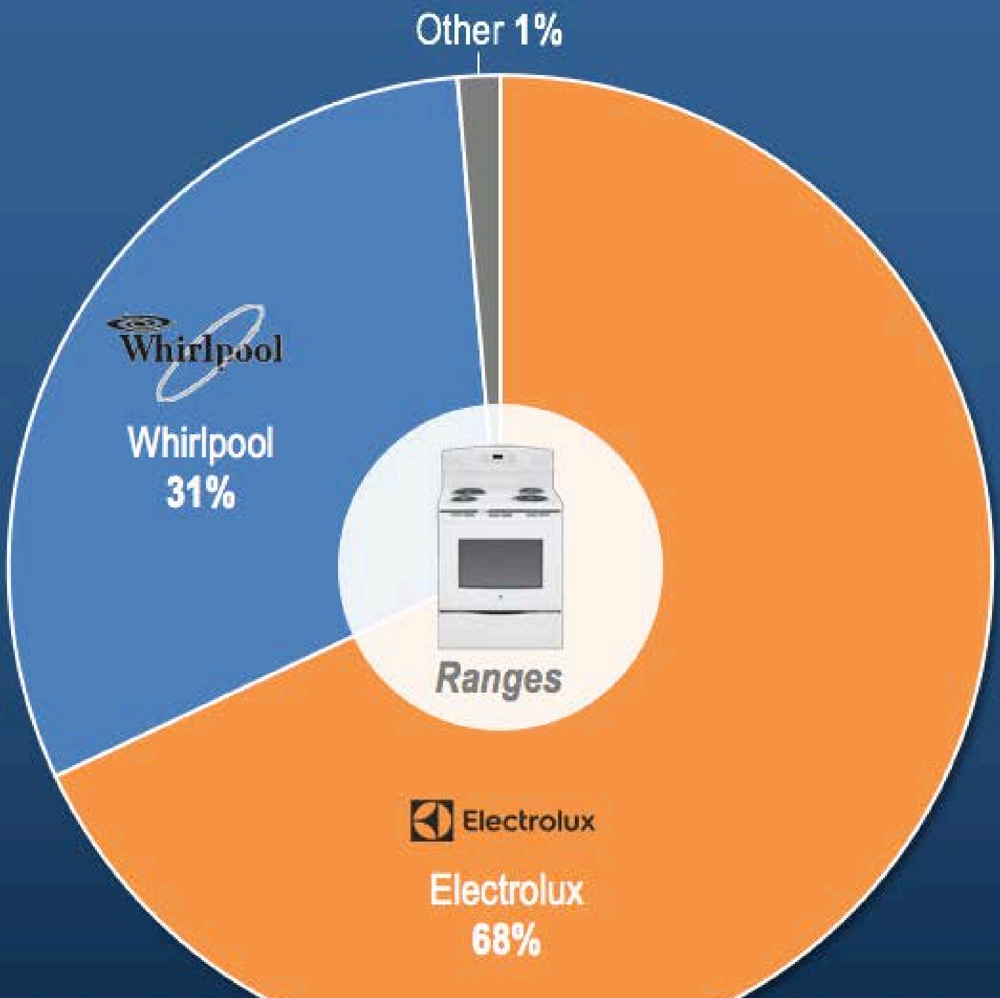
Redacted

[redacted]

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

Redacted

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects



Post-Merger Shares in the Contract Channel

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

Page 1

LexisNexis®

FD (Fair Disclosure) Wire

April 24, 2013 Wednesday

TRANSCRIPT: 042413a5057960.760

LENGTH: 7654 words

HEADLINE: Q1 2013 Whirlpool Corporation Earnings Conference Call - Final

BODY:

Corporate Participants

* Joe Lovechio

Whirlpool Corporation - Director of IR

* Jeff Fettig

Whirlpool Corp - Chairman & CEO

* Marc Bitzer

Whirlpool Corp - President of North America

* Michael - Mike Todman

Whirlpool Corp - President of Whirlpool International

* Larry Venturelli

Whirlpool Corp - CFO & EVP

Conference Call Participants

* Sam Darkatsh

Raymond James & Associates - Analyst

U.S. v. AB Electrolux
1 : 15-cv-01039-EGS
PX01711

DOJ-LIT-00019350

PX01711

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

Whirlpool

up 19% International led by US sell into Lowes, part of that product shift. How clearly can you express to investors that you're not losing share? Which is the fundamental pressure on the stock today, despite the excellent operating leverage sequentially that you delivered.

JEFF FETTIG: Again, let's be clear, first of all AHAM, we're not talking North America were talking the US. AHAM was up roughly 5.8% and we think sell-through was about 2% to 3%. Okay? You talk about the competitor number up 19%. Please remember they entered a major distribution channel during the quarter, which involves -- that has nothing to do with sellout and has everything to do with sell-in.

You also probably note in that release their margins in this category was down 2 points. So, I guess I wouldn't make a plus 19% trade off for minus 2 points of margin. It wouldn't be value creating for our shareholders, so our view is that we're going to earn good business every day. We are investing significantly in a new innovation to bring into market place. We've got great examples where we are gaining share with this innovation.

And we feel fine about where we are in the market share today. To Marc's point, there's business you've got to earn every day and there's business that's transaction oriented. And we do both. And the business that you earn every day we do very well in and the transaction if it's a good transaction we do it.

But candidly as I said in the past, we could gain 2 to 3 points of market share in 90 days in the US market if we wanted to pursue certain types of business. Today, that type of business just isn't value creating.

KENNETH ZENER: Jeff, that was very good and clear. I do appreciate it. Second question, is our forecast, if AHAM was, again, North America was 36 million units, '12 we forecast roughly 42 million in 2015 of which half of the growth comes from housing normalizing the 1.5 million starts.

Can you give investors a little more comfort that your market share, which I believe is roughly 40% nationally as well as 40% new construction, that that growth is predicated upon structural issues like your distribution channel, A, and comment on the profitability of that business relative to the segment in general? Thank you very much.

MARC BITZER: It's Marc Bitzer. First of all on your 2015 industry forecast which I wouldn't confirm but I'm not disagreeing with, first of all, rightfully you point out the two fundamental driver in the long-term industry demand are ongoing replacement cycle and the structural recovering in the housing slash construction.

You, obviously, also noted that all the growth which we've seen in housing permits is still, and we made that point earlier, six to nine months away from housing completions when you typically get the appliance shipments. You get the appliance shipments pretty much on two days before the keys are handed over. So, we're always at the tail end, that also means in 2013 you will still only see a certain portion of the underlying momentum being built in that channel.

But, again, the momentum its building strongly. Now as you look at the market share, and that is I would say the nice thing about this channel in particular, and you asked earlier about certain other brands, that channel is a very, how shall I phrase it? A very captive channel where you are have to earn contracts over many years, these contracts awarded, they're signed, and it's a very difficult channel to manage and serve in the right away.

It takes years of building a capability of contracts and, today, that market is I would say largely two players and a third one is a little bit smaller of a branch we mentioned before of basically not having access to that channel so we are very confident that we're in a very strong position to participate in that growth of the market and I would say almost disproportionate matter.

JEFF FETTIG: And, Ken, I would add to that there is an infrastructure cost to be in that channel also, supply chain cost, service cost, coverage cost. And we're still early in the game I think in the housing recovery. And that infrastructure cost is highly leverageable. It's fixed.

And, so, as that channel grows it's not only a very leverageable from a fixed costs base, but it's a great mix channel for us because the power of our brand portfolio, we give builders package options which they offer to consumers and we see great mix upgrade opportunities throughout our portfolio of brands, so it's a great channel as it's getting healthy. It

DOJ-LIT-00019361

PX01711 at -361

Now as you look at the market share, and that is I would say the nice thing about this channel in particular, and you asked earlier about certain other brands, that channel is a very, how shall I phrase it? A very captive channel where you are [sic] have to earn contracts over many years, these contracts awarded [sic], they're signed, and it's a very difficult channel to manage and serve in the right away. It takes years of building a capability of contracts and….

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

BCG

Electrolux

Electrolux Channel and Growth Strategy

Steering Committee #1

December 18th, 2009

THE BOSTON CONSULTING GROUP

Redacted

ABE04400977

CONFIDENTIAL

PX00726

Entry Is Not Timely, Likely, or Sufficient to Deter or Counteract the Competitive Effects

BCG
The Boston Consulting Group

Executive Summary (I)

Momentum case suggests a "flat future" for Electrolux – slight share decline, modest revenue growth through 2012
- Channels will shift away from Sears, towards Home Depot; builder will likely see a volume rebound
- Electrolux implied share of ~23 (down ~1% pt) and revenues of $4.7B (up 1.4%)
- *THD and Builder channels of significant importance in reaching Higher Gear targets*
  - *In conjunction with growth programs (e.g. Electrolux, dealer expansion) in current channels*
  - *Note: a profit step-change simultaneously required -- it will be critical to map overarching set of initiatives, timing*

The Home Depot entry – a major strategic decision
- THD is an attractive channel for entry (even if slightly less attractive than Lowe's) -- large and growing
- Entry model for THD currently appears to be "all or nothing" – driven by THD category approach & current physical SC constraints
- THD requires strong product innovator that can facilitate closing the gap vs. Lowe's in key consumer dynamics
- Three core challenges / risks to manage
  - Lowe's reaction – believe risks to be relatively limited / manageable
  - Competitive reactions –potential for market destabilization due to bidding / displacement, but it may be inevitable
  - Ability to build out supply chain
- Risks of entry need to be balanced against risk of "not entering" – e.g. Samsung replacement of Maytag very damaging
- *Current thinking not "should we go in", but "at what price should we go in" and "how"*
  - *Very preliminary business case appears positive – five core drivers of business case identified*

Builder – direct model appears attractive with low-risk buildout models
- Historically, channel represents ~$5B in appliances and, given downturn, has upside growth potential
- Serving the market requires dual channel approach – through dealers and direct
  - Total market historically split equally between direct and distributor
- Several options for rolling out in Builder: most viable builder-direct approach suggests focus on consolidated markets
- Initial estimates suggest ~$160M target of incremental revenue is reasonable
- *Current analysis suggests limited risk in moving forward with phased market entry to manage risk and investment levels*
  - Further analysis of supply chain required to make final recommendation

229200-04-SCM#1-18Dec09-vf.ppt The Boston Consulting Group 7

PX00726 at -0008

Serving the market requires dual channel approach – through dealers and direct

Defendants' Claimed Cost Savings Do Not Save the Merger

Redacted

[redacted]

Retailers Will Not Protect Consumers; They Help Appliance Manufacturers Keep Prices Higher

Redacted

Retailers Will Not Protect Consumers, They Help Appliance Manufacturers Keep Prices Higher

Cost Inflation Overview

Rationale for GE Monogram Price Increase

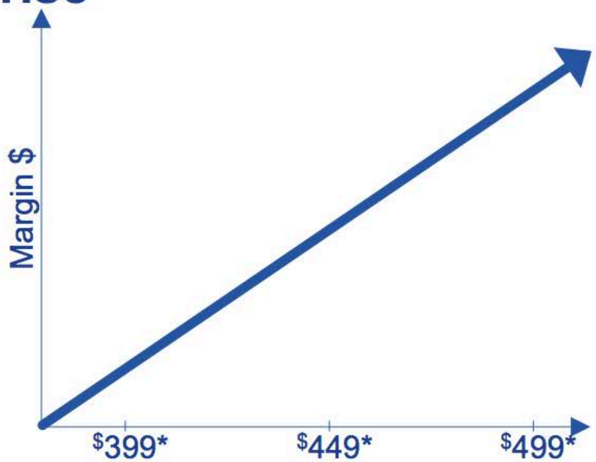
imagination at work

PX01392

Retailers Will Not Protect Consumers, They Help Appliance Manufacturers Keep Prices Higher

Price increases can benefit retailers bottom line

Margin $ opportunity increases as prices rise



	2011	2012
Est Retail*	$999	$1,099
Invoice	$739	$813
Est Margin Opportunity*	26%	26%
GM $$	$260	$268
EAU	50	50
Total Est GM	$13,000	$14,300

*Dealers establish their own retail selling prices.

The result of realized price changes increases the margin dollars generated for the reseller when the margin rates are unchanged.

imagination at work

8
10/14/15

PX01392 at -0008

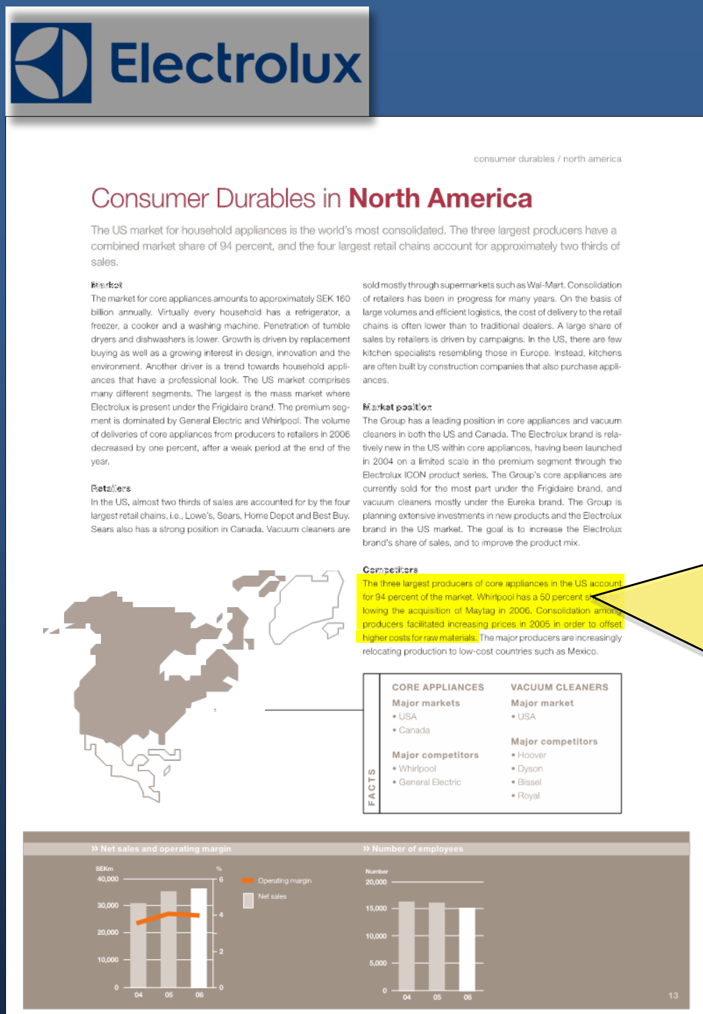
The 2006 Whirlpool/Maytag Merger is Irrelevant

- No reason to try <u>two</u> separate mergers
  - Different parties
  - Different products: focus there was on laundry appliances
  - Almost a decade old
  - Right before the Great Recession
- Mr. Orszag: Whirlpool/Maytag actually might have caused higher prices

Whirlpool/Maytag Might Have Facilitated Higher Prices

PX01705

Whirlpool/Maytag Might Have Facilitated Higher Prices


Electrolux

Consumer Durables in **North America**

The US market for household appliances is the world's most consolidated. The three largest producers have a combined market share of 94 percent, and the four largest retail chains account for approximately two thirds of sales.

Market
The market for core appliances amounts to approximately SEK 160 billion annually. Virtually every household has a refrigerator, a freezer, a cooker and a washing machine. Penetration of tumble dryers and dishwashers is lower. Growth is driven by replacement buying as well as a growing interest in design, innovation and the environment. Another driver is a trend towards household appliances that have a professional look. The US market comprises many different segments. The largest is the mass market where Electrolux is present under the Frigidaire brand. The premium segment is dominated by General Electric and Whirlpool. The volume of deliveries of core appliances from producers to retailers in 2006 decreased by one percent, after a weak period at the end of the year.

Retailers
In the US, almost two thirds of sales are accounted for by the four largest retail chains, i.e., Lowe's, Sears, Home Depot and Best Buy. Sears also has a strong position in Canada. Vacuum cleaners are sold mostly through supermarkets such as Wal-Mart. Consolidation of retailers has been in progress for many years. On the basis of large volumes and efficient logistics, the cost of delivery to the retail chains is often lower than to traditional dealers. A large share of sales by retailers is driven by campaigns. In the US, there are few kitchen specialists resembling those in Europe. Instead, kitchens are often built by construction companies that also purchase appliances.

Market position
The Group has a leading position in core appliances and vacuum cleaners in both the US and Canada. The Electrolux brand is relatively new in the US within core appliances, having been launched in 2004 on a limited scale in the premium segment through the Electrolux ICON product series. The Group's core appliances are currently sold for the most part under the Frigidaire brand, and vacuum cleaners mostly under the Eureka brand. The Group is planning extensive investments in new products and the Electrolux brand in the US market. The goal is to increase the Electrolux brand's share of sales, and to improve the product mix.

Competitors
The three largest producers of core appliances in the US account for 94 percent of the market. Whirlpool has a 50 percent share following the acquisition of Maytag in 2006. Consolidation among producers facilitated increasing prices in 2005 in order to offset higher costs for raw materials. The major producers are increasingly relocating production to low-cost countries such as Mexico.

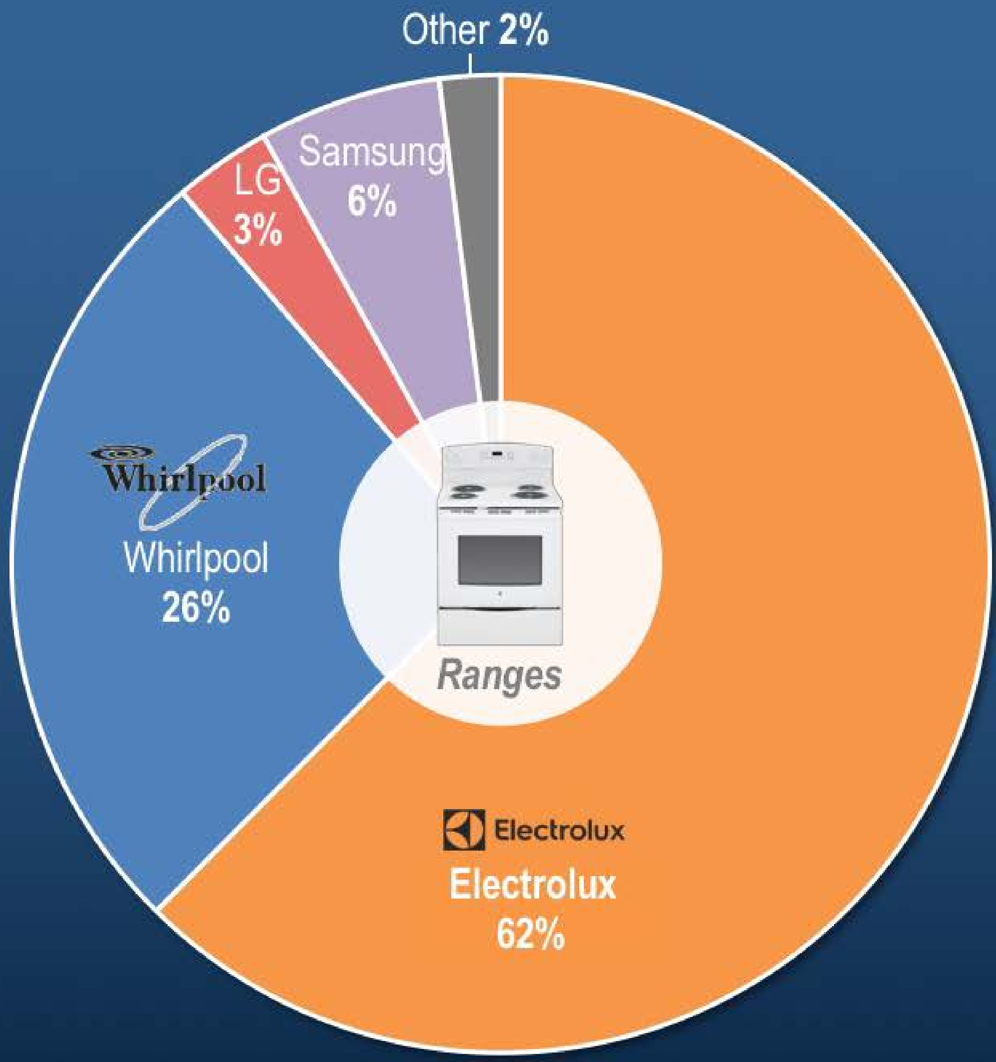
FACTS

CORE APPLIANCES	VACUUM CLEANERS
Major markets	**Major market**
• USA	• USA
• Canada	
Major competitors	**Major competitors**
• Whirlpool	• Hoover
• General Electric	• Dyson
	• Bissel
	• Royal

PX01705 at 17

The three largest producers of core appliances in the US account for 94 percent of the market. Whirlpool has a 50 percent share following the acquisition of Maytag in 2006. Consolidation among producers facilitated increasing prices in 2005....

Post-Merger Shares of Ranges (Retail and Contract)



Summary: the Evidence Will Show that the Merger Likely Would Substantially Lessen Competition

- Merger brings together two of the three iconic appliance manufacturers
- Under Supreme Court and D.C. Circuit case law, harm is presumed
- Defendants cannot rebut the United States' case
  - The Presumption actually understates the likely harm
  - Entry, efficiencies, retailers, and Whirlpool/Maytag do not establish that the merger would benefit consumers

U.S. V. AB ELECTROLUX ET AL.

United States' Opening Statement