

Press release

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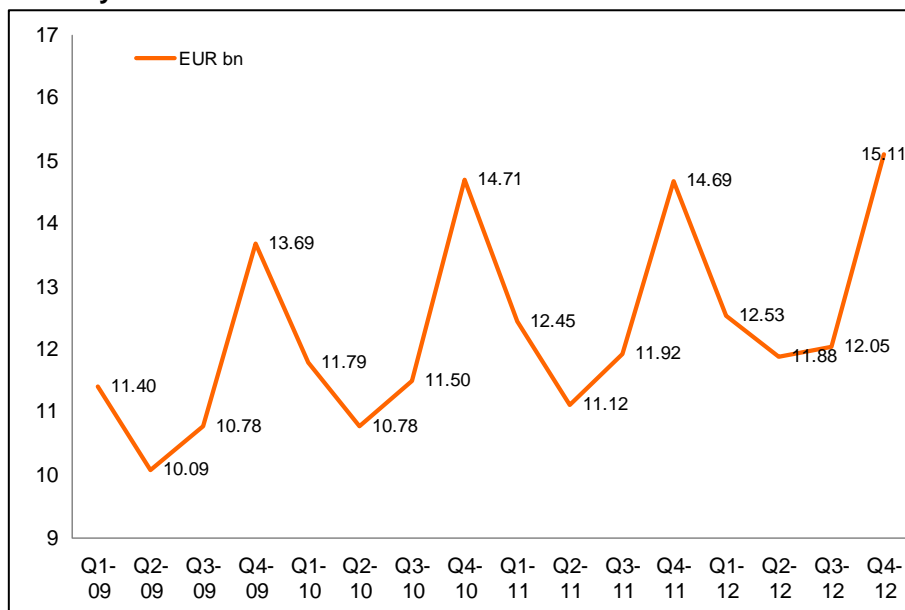
Germany: Technical Consumer Goods market with positive annual balance

Results of the GfK TEMAX® Germany for the fourth quarter of 2012

Nuremberg, 14 February 2013 –The Technical Consumer Goods market closed the fourth quarter, as well as the total year, with a sales growth of 2.8 percent. Sales volume generated from October to December amounted to €15.1 billion. The total sales volume for 2012 was around €1.6 billion. This is the result of GfK TEMAX® Germany for the fourth quarter of 2012.

The German Technical Consumer Goods market experienced a successful year 2012. In the fourth quarter sales volume grew by 2.8 percent to €15.1 billion. In particular, the markets for Photo and Small Domestic Appliances (SDA) were able to gain some weight. Throughout the whole year, the Telecommunication (Telco) sector experienced by far the highest growth rates. In Germany, around €1.6 billion was spent on Technical Consumer Goods in 2012, which corresponds to a plus of 2.8 percent. Among all markets observed in GfK TEMAX® Germany, only Office Equipment and Consumer Electronic sector showed a declining trend.

Development of the sales volume of technical consumer goods in Germany



Source: GfK TEMAX® Germany, GfK

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Photo: Higher average price brings growth

Among all sectors observed in GfK TEMAX® Germany, the photo market was the strongest sector in the final quarter of 2012. Sales grew by 11.4 percent to a total volume of €803 billion. In 2012, the photo market generated €2.7 billion in total, which corresponds to a growth of 4.2 percent compared to last year.

The trend was driven by the continuing strong demand for high-value cameras with interchangeable lenses and a trading-up throughout almost all photo product groups. This led to higher average prices which provided additional profits. Besides, compact system cameras achieved an impressive result with high double-digit growth rates in 2012. Despite market entries of new companies and the increased competitive pressure within the photo market, the average product price increased. To counter the competition from smartphones, so far the photo sector focuses on quality driven innovations and concepts tailored to certain target groups and lifestyles. Therefore the photo market can head into 2013 with a good portion of optimism.

Small Domestic Appliances: Noticeable sales growth in the fourth quarter

The Small Domestic Appliances sector saw a strong fourth quarter with a sales volume of €1 billion. Compared with the same period last year, the market grew by 9.7 percent. The annual balance was also pleasing. Almost €3.1 billion was achieved between January and December 2012, representing a growth rate of 5.5 percent.

The greatest shares go to espresso machines, traditional kitchen appliances and dental water jets. The latter are still experiencing an enormous upswing. The market of electrical toothbrushes also carried its positive trend forward and thus provided a sales increase. However, the growth of the vacuum sector was slight. While bagless appliances, battery-powered hand-held and robot vacuum cleaners gained shares, the sales of wet and dry vacuum cleaners, hand-held and bag vacuum cleaners saw declines. The fourth quarter played a comparatively small role for the vacuum cleaner market, as only a fourth of the annual sales volume was generated between October and December.

Information Technology: "Product-Style" comes back in focus

The Information Technology (IT) market in Germany achieved a positive annual balance. In the fourth quarter as well as the total year of 2012, the sales development was positive. From October to December, around €5.4 billion was generated, a plus of 6.7 percent. Considering 2012 in total, sales grew by 1.7 percent to a volume of almost €18.2 billion.

The decisive factor for the pleasing result was the continuously increasing demand for handy, slim and thus particularly mobile devices, above all

media tablets. In the traditional strong month of December, business of such trend products boomed and achieved a temporary peak.

Lifestyle is becoming more and more important for private consumers. Both design and color play an increasingly important role. Price comes second as consumers are willing to pay more money for chic products. For 2013, GfK expects a positive overall development for the IT sector. Because of its size, the computer sector is and will remain the elemental backbone for sales. Innovations such as touchscreen technique and ultrathin appliances, combined with the so called cloud-services will boost the market for IT hardware, components and software.

Major Domestic Appliances: Higher average price spurs on the market

The German MDA market demonstrated healthy growth. In the fourth quarter, sales increased by 5.6 percent to €2.2 billion. On a yearly basis sales grew by 5.9 percent, which corresponds to a volume of around €8.1 billion. This is due to the positive development of washing machines, the most important product group in terms of sales, as well as the increasing demand for tumble dryers. Also, the ongoing trend towards heat pump technology and models with high capacity pushes the average price to a higher level. In the hobs-segment, the constantly growing importance of induction technology and high-value product segments fertilizes the sales potential. Thanks to the increasing sales of expensive built-in appliances the microwave oven market also experienced a positive sales impulse.

Telecommunication: Positive annual balance thanks to smartphones

While products like fixed line phones, fax machines and traditional mobile phones declined, smartphones continued to grow in the fourth quarter of 2012. The demand for smartphones was high enough to push the overall Telecommunication market, leading to very a very positive result. In the fourth quarter, sales grew by 4.9 percent to a volume of €1.5 billion, based on subsidized prices. In 2012, the sales volume of the Telco market even grew at a double-digit rate of 11 percent. On a yearly basis, this rate represented the highest growth among all sectors observed in the GfK TEMAX® Germany.

As the Telco market is one of the sectors with the fastest innovation cycle, GfK also expects a positive development for 2013. The market share of the so called superphones within the upper price band also increased. Usually, devices belonging to this category have a display of 4 inches and more, a high camera resolution and a fast processor with dual core as well as a capacity larger than 1 GHZ at least.

Office Equipment and Consumables: Sales potential through home cinema

The Office Equipment and Consumables market closed the fourth quarter with a declining growth rate of minus 3.7 percent, equivalent to a sales

volume of €1.2 billion. The annual balance was also slightly down with a negative growth rate of 0.8 percent. Between January and December 2012, a sales volume of €4.4 billion was generated.

Data and video projectors saw a positive development throughout the whole year and achieved the best result of all monitored sectors in the Office market. LED technology for projectors is coming. From the consumers' point of view, the advantage is the longer durability of LED lamps and their low price. Devices for home cinema, which are able to project pictures in wide screen format, are still in great demand. Another interesting topic in the data and video projector area is 3D. Devices with such functions have already achieved high growth rate. The Office market therefore expects an exciting 2013 with further sales potential.

Consumer Electronics: Difficult year

The Consumer Electronics market is looking back at a difficult year. However, despite an intermingled fourth quarter with a negative growth rate of minus 7.4 percent, on a yearly basis, sales development fell just slightly backwards by minus 0.7 percent. From October to December, sales volume generated to €3 billion. In total, around €10.5 billion was achieved in 2012. Due to the great sales importance of the TV sector, such business which had been lower than expected strained the balance of the fourth quarter. Because of the big sport events, such as the European Football Championship and the Olympics, as well as the shutdown of analog TV broadcasting, lots of TV sales were brought forward and already realized in the first half of the year 2012.

Sales drivers in 2013 are expected to be demands for bigger screen sizes and "smart", internet capable devices. Along with MP3 and MP4 players, classic audio devices like portable radios and radio recorders experienced a small renaissance. The drivers of this trend are internet and especially digital radios. Such subjects are becoming more and more important and contribute to expectation in more growth in the future.

GfK TEMAX® Germany: Positive quarter and a pleasing annual balance in 2012

GfK TEMAX® Germany saw a positive annual balance. In the fourth quarter as well as on a yearly basis, the Technical Consumer Goods market grew by 2.8 percent. The sales volume created between October and December amounts to €15.1 billion. Throughout the whole year, around €51.6 billion was generated through Technical Consumer Goods. Considering the background of the ongoing headwinds in the international economic situation, this is more than a satisfying result. According to the GfK Consumer Climate, despite a difficult fourth quarter in 2012, consumers expect a positive development in the market in 2013. Besides, a stable labor market and a moderate inflation would increase the income expectation and the willingness to buy. If the industry and retailers could manage to stimulate con-

sume impulse through innovations and services, a pleasing year for the Technical Consumer Goods market is not far away anymore.

Summary in table format

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q4 12 /Q4 11	Q1-4 2012	Q1-4 12 /Q1-4 11
	M.EUR	M.EUR	M.EUR	M.EUR	+/-%	M.EUR	+/-%
Consumer Electronics (CE)	2,787	2,492	2,130	3,040	-7.4%	10,449	-0.7%
Photo (PH)	535	686	677	803	11.4%	2,701	4.2%
Major Domestic Appliances (MDA)	1,967	1,849	2,035	2,242	5.6%	8,093	5.9%
Small Domestic Appliances (SDA)	727	655	685	1,012	9.7%	3,079	5.5%
Information Technology (IT)	4,327	4,110	4,388	5,374	6.7%	18,199	1.7%
Telecommunication (TC)	1,037	1,040	1,095	1,483	4.9%	4,655	11.0%
Office Equipment & Consumables (OE)	1,151	1,050	1,042	1,152	-3.7%	4,395	-0.8%
GfK TEMAX® Germany	12,531	11,882	12,053	15,105	2.8%	51,571	2.8%

Source: GfK TEMAX® Germany, 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 390,000 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

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