



May 14, 2012

Dear Business Partner,

Announcement:

This is to inform you that Miele is exiting the large capacity laundry market on or around June 30, 2012. This announcement affects the following products: W 4802, W4842, T 9802, T9822.

All dealer orders, as well as consumer orders in the AMDS territories, confirmed in the Miele system as of May 13 2012 are secure.

We encourage you to immediately place orders where you have consumer deposits for future deliveries. Miele reserves the right to reject orders placed for inventory purposes only, in order to ensure supply of written consumer sales.

Miele will remain in the "European-sized" laundry segment indefinitely, together with the successful Care Collection products (detergents, fabric softeners, etc.).

Reasons behind this decision:

The large capacity laundry business is a technologically dynamic one, but heavily promotional. To stay relevant in this segment in the future, we would have to continue to invest heavily in R&D. Quite simply we decided that this was not the best segment of the market to invest into, in part because we wish to funnel our resources into other more promising opportunities, including:

- Dishwashers. Miele already dominates the segment above \$1,200. Recent product and price changes have us well poised to extend this domination to lower retail price points.
- The "Garment Care" side of the business. This would be a new category. No details now, but look for a product launch in 2013
- Built-in kitchen appliances. From cooking, conventionally or with steam, to coffee and beyond, several new initiatives will commence in the 2013 – 2014 period. More details closer to the date.
- The commercial dishwashers currently sold by appliance dealers will see unique product additions in 2013. Elsewhere in our Professional division, we have made a successful start in supplying unique washers for the cleaning of microfiber cloths in commercial applications. Further, we will launch an assortment of medical instrument cleaning machines for surgical centers in the fall 2012.

As Europe's largest privately-held appliance brand, Miele has never relied on external capital to fund its expansion plans. Rather, by focusing on those business segments where we believe our proven combination of quality engineering and unique features will bring us and our trade partners long-term success – and ignoring those segments that won't – we are convinced that our ambitious growth plans for the North American market will be realized.

Thank you for your attention to this announcement and your ongoing support.

Sincerely,

Bob Fava
Vice President - Sales