

Financial position

Working capital and net assets

SEKm	Dec. 31, 2010	% of annualized net sales	Dec. 31, 2009	% of annualized net sales
Inventories	11,130	10.2	10,050	8.8
Trade receivables	19,346	17.7	20,173	17.7
Accounts payable	-17,283	-15.8	-16,031	-14.1
Provisions	-10,009		-9,447	
Prepaid and accrued income and expenses	-7,095		-7,998	
Taxes and other assets and liabilities	-1,991		-1,901	
Working capital	-5,902	-5.4	-5,154	-4.5
Property, plant and equipment	14,630		15,315	
Goodwill	2,295		2,274	
Other non-current assets	6,706		5,197	
Deferred tax assets and liabilities	2,175		1,874	
Net assets	19,904	18.2	19,506	17.1
Average net assets	19,545	18.4	19,411	17.8
Return on net assets, %	27.8		19.4	
Return on net assets, excluding items affecting comparability, %	31.0		26.2	

Net assets and working capital

Average net assets for the period amounted to SEK 19,545m (19,411). Net assets as of December 31, 2010, amounted to SEK 19,904m (19,506).

Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets increased to SEK 20,940m (20,320), corresponding to 19.7% (18.6) of net sales.

Working capital as of December 31, 2010, amounted to SEK -5,902m (-5,154), corresponding to -5.4% (-4.5) of annualized net sales.

The return on net assets was 27.8% (19.4), and 31.0% (26.2), excluding items affecting comparability.

Net borrowings

Net borrowings amounted to SEK -709m (665). The net debt/equity ratio was -0.03 (0.04). The equity/assets ratio was 33.9% (31.8).

- Equity/assets ratio was 33.9% (31.8).
- Return on equity was 20.6% (14.9).
- Average net assets, excluding items affecting comparability, amounted to SEK 20,940m (20,320).
- Working capital improved to SEK -5,902m (-5,154).
- Net borrowings amounted to SEK -709m (665).

During 2010, SEK 1,039m of the long-term borrowings matured and SEK 380m of new long-term borrowings were raised. Long-term borrowings as of December 31, 2010, including long-term borrowings with maturities within 12 months, amounted to SEK 9,590m with average maturities of 3.3 years, compared to SEK 11,153m and 3.9 years by the end of 2009. A significant portion of long-term borrowings is raised in the Euro and Swedish bond markets.

During 2011 and 2012, long-term borrowings in the amount of approximately SEK 3,300m will mature. Liquid funds as of December 31, 2010, amounted to SEK 12,805m (13,357), excluding short-term back-up facilities.

Since 2005, Electrolux has an unused revolving credit facility of EUR 500m maturing 2012 and since 2010, an additional unused committed credit facility of SEK 3,400m maturing 2017.

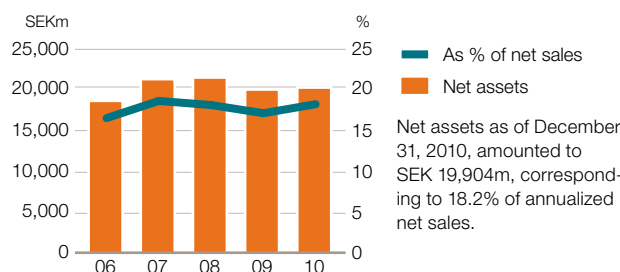
Net borrowings

SEKm	Dec. 31, 2010	Dec. 31, 2009
Borrowings	12,096	14,022
Liquid funds	12,805	13,357
Net borrowings	-709	665
Net debt/equity ratio	-0.03	0.04
Equity	20,613	18,841
Equity per share, SEK	72.41	66.24
Return on equity, %	20.6	14.9
Return on equity, excluding items affecting comparability, %	24.4	22.0
Equity/assets ratio, %	33.9	31.8

Change in net assets

SEKm	Net assets
January 1, 2010	19,506
Change in restructuring provisions	-362
Write-down of assets	-275
Changes in exchange rates	-940
Capital expenditure	3,221
Depreciation	-3,328
Other changes in fixed assets and working capital, etc.	2,082
December 31, 2010	19,904

Net assets



The Group's goal for long-term borrowings includes an average time to maturity of at least two years, an even spread of maturities, and an average interest-fixing period of one year. At year-end, the average interest-fixing period for long-term borrowings was 0.9 year (1.0).

At year-end, the average interest rate for the Group's total interest-bearing borrowings was 3.2% (2.6).

Liquid funds

Liquid funds at year-end amounted to SEK 12,805m (13,357). Liquid funds corresponded to 18.9% (16.2) of annualized net sales. Since 2005, Electrolux has an unused revolving credit facility of EUR 500m maturing 2012 and since 2010, an additional unused committed credit facility of SEK 3,400m maturing 2017.

Liquidity profile

SEKm	Dec. 31, 2010	Dec. 31, 2009
Liquid funds	12,805	13,357
% of annualized net sales ¹⁾	18.9	16.2
Net liquidity	9,122	9,576
Fixed interest term, days	34	100
Effective annual yield, %	2.8	2.1

1) Liquid funds plus an unused revolving credit facility of EUR 500m and a committed credit facility of SEK 3,400m divided by annualized net sales.

For additional information on the liquidity profile, see Note 18 on page 51.

Rating

Electrolux has investment-grade ratings from Standard & Poor's. In 2010, the investment-grade rating for the long-term debt was upgraded from BBB to BBB+.

Rating

	Long-term debt	Outlook	Short-term debt	Short-term debt, Nordic
Standard & Poor's	BBB+	Stable	A-2	K-1

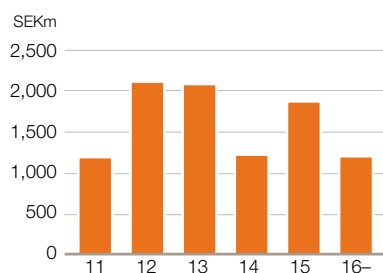
Net debt/equity and equity/assets ratio

The net debt/equity ratio was -0.03 (0.04). The equity/assets ratio increased to 33.9% (31.8).

Equity and return on equity

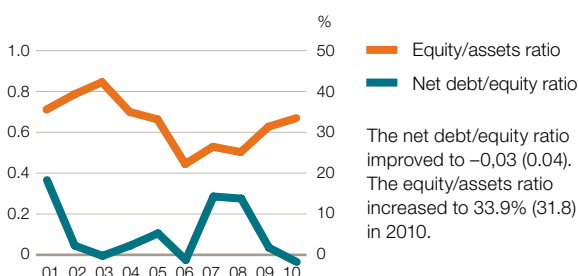
Total equity as of December 31, 2010, amounted to SEK 20,613m (18,841), which corresponds to SEK 72.41 (66.24) per share. Return on equity was 20.6% (14.9). Excluding items affecting comparability, return on equity was 24.4% (22.0).

Long-term borrowings, by maturity



In 2011 and 2012, long-term borrowings in the amount of approx. SEK 3,300m will mature. For information on borrowings, see Note 18 on page 51.

Net debt/equity ratio and equity/assets ratio



The net debt/equity ratio improved to -0.03 (0.04). The equity/assets ratio increased to 33.9% (31.8) in 2010.