

Other facts

Changes in Group Management

In a move to accelerate implementation of the Group's strategy based on innovative products, investments in the Electrolux brand and a competitive cost position, new appointments were announced within Group Management as of Februari 1. These three new appointments will enable the Group to increase the speed of product innovation and to continue to leverage its shared global strength.

Jonas Samuelson is appointed Chief Operations Officer and Head of Global Operations Major Appliances

In addition to his current responsibilities as Chief Financial Officer, Jonas Samuelson succeeds Keith McLoughlin in his former role as Chief Operations Officer and Head of Global Operations Major Appliances.

Jan Brockmann is appointed Chief Technology Officer

Jan Brockmann is appointed Chief Technology Officer with global responsibility for technology development in the Group. Jan Brockmann is reporting to the President and CEO and is a member of Group Management. He joined Electrolux in March 2010. Jan Brockmann comes from the Volkswagen Group.

MaryKay Kopf is appointed Chief Marketing Officer

MaryKay Kopf, who is currently responsible for marketing at Electrolux Major Appliances North America, will in her role as Chief Marketing Officer be responsible for brand management, marketing and design for the Group. MaryKay Kopf will report to the President and CEO and be a member of Group Management. She joined Electrolux in 2003.

President and CEO Hans Stråberg has left Electrolux and was succeeded by Keith McLoughlin

In September 2010, Hans Stråberg notified the Board that he wished to leave Electrolux after 27 years with the company and nine years as President and CEO. He left Electrolux as of December 31, 2010, and at the same time he resigned as board member.

Keith McLoughlin succeeded Hans Stråberg. Keith McLoughlin was Chief Operations Officer, globally responsible for R&D, Manufacturing and Purchasing for Electrolux Major Appliances. Previously, he has been head of Major Appliances North America. He joined Electrolux in 2003.

Henrik Bergström new head of Floor Care and Small Appliances

Henrik Bergström was appointed Executive Vice President and head of Floor Care and Small Appliances in August, 2010. He succeeded Morten Falkenberg. Henrik Bergström has held various management positions within Electrolux Major Appliances North America and Latin America. He has been with Electrolux since 1997.

Global initiatives

As previously announced in connection with the Group's Capital Markets Day in November 2010, Electrolux will through global initiatives further reduce costs by capitalizing on its shared global strength and scope. This will be accomplished by unlocking synergies, increasing modularization and optimizing global purchasing. The initiatives are expected to generate annual cost savings of approximately SEK 2.0–2.5 billion with full effect as of 2015 and will contribute to maintaining the competitiveness of Electrolux. Costs for the global initiatives are estimated at approximately SEK 500m per year for 2011 and 2012.

Asbestos litigation in the US

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made identical allegations against other defendants who are not part of the Electrolux Group.

As of December 31, 2010, the Group had a total of 2,800 (2,818) cases pending, representing approximately 3,050 (approximately 3,120) plaintiffs. During 2010, 842 new cases with 842 plaintiffs were filed and 860 pending cases with approximately 915 plaintiffs were resolved.

The Group reached an agreement in 2007 with many of the insurance carriers that issued general liability insurance to certain predecessors of the Group who manufactured industrial products, some of which are alleged to have contained asbestos. Under this agreement, the insurance carriers have agreed to reimburse the Group for a portion of the past and future costs incurred in connection with asbestos-related lawsuits for such products. The term of the agreement is indefinite but subject to termination upon 60 days notice. If terminated, all parties would be restored to all of their rights and obligations under the affected insurance policies.

Additional lawsuits may be filed against Electrolux in the future. It is not possible to predict either the number of future claims or the number of plaintiffs that any future claims may represent. In addition, the outcome of asbestos claims is inherently uncertain and always difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of claims will not have a material adverse effect on its business or on results of operations in the future.

Environmental activities

At the end of 2010, Electrolux operated 49 manufacturing facilities in 16 countries. Manufacturing comprises mainly assembly of components made by suppliers. Other processes include metal-working, molding of plastics, painting and enameling.

Chemicals such as lubricants and cleaning fluids are used as process aids. Chemicals used in Group products include insulation materials, paint and enamel. Production processes generate an environmental impact through the use of energy and water, as well as water- and airborne emissions, waste and noise.

Studies of the total environmental impact of the Group's products during their entire lifetime, i.e., from production and use to recycling, indicate that the greatest environmental impact is generated when the products are used. The Electrolux strategy is to develop and actively promote increased sales of products with lower environmental impact.

Mandatory permits and notification in Sweden and elsewhere

Electrolux operates four plants in Sweden. Permits are required by authorities for all of these plants, which account for approximately 3% of the total value of the Group's production. Three of these plants are required to submit notification. The permits cover, e.g., thresholds or maximum permissible values for air- and water-borne emissions and noise. No significant non-compliance with Swedish environmental legislation was reported in 2010.

Manufacturing units in other countries adjust their operations, apply for necessary permits and report to the authorities in accordance with local legislation. The Group follows a precautionary principle with reference to both acquisitions of new plants and continuous operations. Potential non-compliance, disputes or items that pose a material financial risk are reported to Group level in accordance with Group policy. No such significant item was reported in 2010.

Electrolux products are affected by legislation in various markets, principally involving energy consumption, producer responsibility for recycling, and restriction and management of hazardous substances. Electrolux continuously monitors changes in legislation, and both product development and manufacturing are adjusted to reflect these changes.