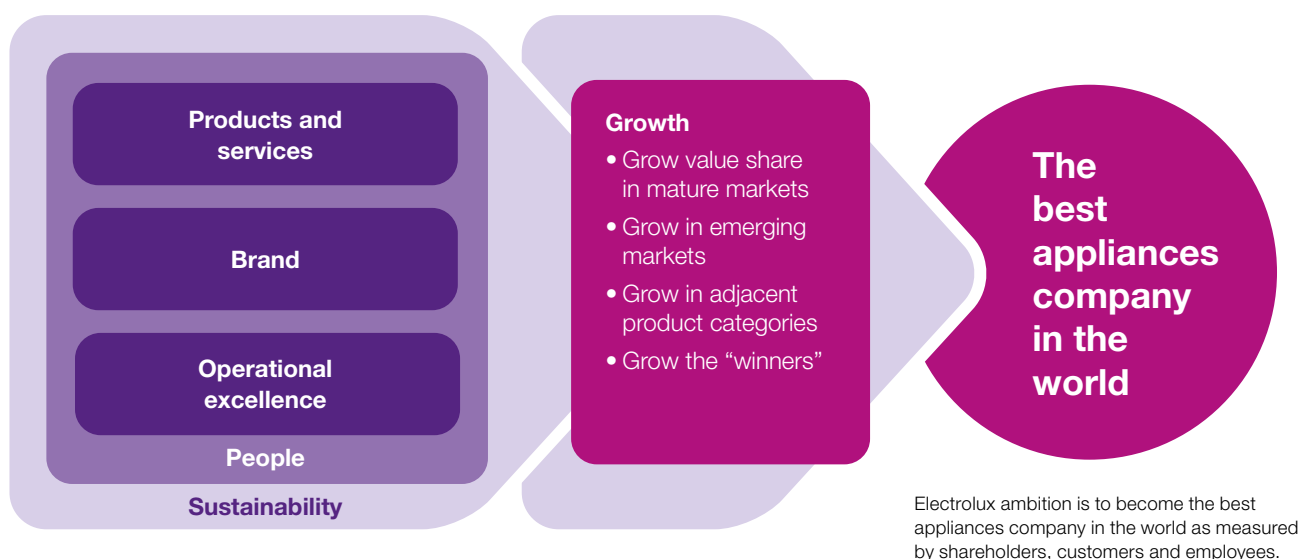


Electrolux **strategy**

Electrolux is the most global manufacturer in the appliances sector, commanding strong positions in all regions. Electrolux is also the only player that offers solutions for both consumers and professional users. All product development in the Group is based on consumer insight. With innovative products under a strong brand in the premium segment and by leveraging the Group's global strength and scope, Electrolux aims to create a platform for profitable growth.



Products and services

The Group's process for consumer-driven product development is used in all new products. In recent years, a number of changes have been made to the process to further raise the level of ambition for what is delivered to consumers. **▶▶36**

Brand

The launch of innovative, Electrolux-branded products in Europe, North America and other markets worldwide has strengthened the Group's position in the global premium segment. Commanding a significant position in the premium segment is a crucial component of the Group's strategy for profitable growth. **▶▶40**

Operational excellence

Electrolux continues to adapt its manufacturing footprint and streamline operations to enhance productivity. The focus lies on global optimization of the business to further reduce costs and raise the rate of growth. **▶▶44**

People

An innovative culture and employees from diverse backgrounds create the ideal conditions for developing innovative products, finding new ways to work, solving problems and performing beyond expectations. **▶▶46**

Sustainability

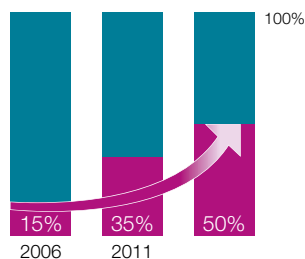
To achieve leadership in its industry, Electrolux intends to demonstrate how the company improves people's lives by understanding their evolving needs and delivering smarter, more resource-efficient solutions. **▶▶48**

Strategy for growth

Global challenges

As a result of lifestyle changes, consumers are demanding products that simplify their lives and make cooking, garment care and cleaning more convenient. Rapid global urbanization means less space to live in. This trend, in turn, increases the need for quiet, compact household appliances that can be easily integrated into the rest of the home environment. A growing, affluent middle class, increasingly concentrated to urban areas, is boosting demands for more efficient use of the world's resources. In only 15 years time, two-thirds of the world's population will live in areas with limited water supply and there is a great concern about energy availability. New technology is required to meet these challenges.

Increased sales in growth markets over a five-year period



The acquisition of appliances manufacturers CTI in Chile and Olympic Group in Egypt combined with strong organic growth has boosted the share of Electrolux pro forma sales in growth markets from 25% in 2009 to 35% in 2011.

Focus on growth

In order to outperform market growth, Electrolux continues to strengthen its positions in the premium segment, expand in profitable high-growth product categories, increase sales in growth regions and develop service and aftermarket operations. In addition to organic growth, opportunities exist for implementing the Group's growth strategy more rapidly, through acquisitions or the establishment of business partnerships. In 2011, the Group implemented two strategically important acquisitions in rapidly growing markets that will ultimately contribute to higher organic growth.

Financial goals over a business cycle

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability. Key ratios exclude items affecting comparability. ▶50

Operating margin of 6%

> 6%

Capital-turnover rate of 4 or higher

> 4

Return on net assets of at least 25%

> 25%

Average annual growth of 4% or higher

> 4%