

Other facts

February 1, 2013. Electrolux acquires its head office in Stockholm

Electrolux has acquired its head office building with associated grounds at S:t Göransgatan in Stockholm, Sweden. The purchase price was SEK 1,145m and possession took place on February 1, 2013.

The purpose of the acquisition is to secure access to office space in central Stockholm. Electrolux has made extensive investments in the building for, e.g., the Group's design and product development operations.

Electrolux aim is to find an alternative ownership structure for the real estate as soon as possible.

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 substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of December 31, 2012, the Group had a total of 2,864 (2,714) cases pending, representing approximately 2,936 (approximately 2,843) plaintiffs. During 2012, 1,165 new cases with 1,132 plaintiffs were filed and 1,015 pending cases with approximately 1,039 plaintiffs were resolved.

The Group continues to operate under a 2007 agreement with certain insurance carriers who have agreed to reimburse the Group for a portion of its costs relating to certain asbestos lawsuits. The agreement is subject to termination upon 60 days notice and if terminated, the parties would be restored to their rights and obligations under the affected insurance policies.

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

Environmental activities

At the end of 2012, Electrolux operated 58 manufacturing facilities in 19 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 air-borne 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 three plants in Sweden, which account for approximately 2% of the total value of the Group's production. Permits are required by authorities for two of these plants and are also required to submit notification. The permits cover such areas as thresholds or maximum permissible values for air- and water-borne emissions and noise. No significant non-compliance with Swedish environmental legislation was reported in 2012.

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 2012.

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.