

Consolidated income statement

SEKm	Note	2011	2010
Net sales	3,4	101,598	106,326
Cost of goods sold		-82,840	-82,697
Gross operating income		18,758	23,629
Selling expenses		-10,821	-11,698
Administrative expenses		-4,972	-5,428
Other operating income	5	230	14
Other operating expenses	6	-40	-23
Items affecting comparability	3,7	-138	-1,064
Operating income	3,4,8	3,017	5,430
Financial income	9	337	332
Financial expenses	9	-574	-456
Financial items, net		-237	-124
Income after financial items		2,780	5,306
Taxes	10	-716	-1,309
Income for the period		2,064	3,997
Available for sale instruments	11,29	-91	77
Cash flow hedges	11	111	-117
Exchange-rate differences on translation of foreign operations	11	-223	-1,108
Income tax related to other comprehensive income		-104	-30
Other comprehensive income, net of tax		-307	-1,178
Total comprehensive income for the period		1,757	2,819
Income for the period attributable to:			
Equity holders of the Parent Company		2,064	3,997
Non-controlling interests		-	-
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company		1,752	2,819
Non-controlling interests		5	-
Earnings per share	20		
For income attributable to the equity holders of the Parent Company:			
Basic, SEK		7.25	14.04
Diluted, SEK		7.21	13.97
Average number of shares	20		
Basic, million		284.7	284.6
Diluted, million		286.1	286.0

Financial net

Net financial items declined to SEK –237m (–124). The decline is mainly due higher interest rates and increased net debt. The acquisitions of Olympic Group and CTI have impacted net debt.

Income after financial items

Income after financial items decreased to SEK 2,780m (5,306), corresponding to 2.7% (5.0) of net sales.

Taxes

Total taxes in 2011 amounted to SEK –716m (–1,309), corresponding to a tax rate of 25.7% (24.7).

Income for the period and earnings per share

Income for the period amounted to SEK 2,064m (3,997), corresponding to SEK 7.25 (14.04) in earnings per share before dilution.

Effects of changes in exchange rates

Compared to the previous year, changes in exchange rates for the full-year 2011 had a positive impact on operating income, including translation, transaction effects and hedging contracts and amounted to SEK 150m.

The effects of changes in exchange rates referred mainly to the operations in Europe, Latin America and Asia/Pacific. The strengthening of the Australian Dollar and the Brazilian Real against the US Dollar and weakening of the Euro against several other currencies have positively affected operating income. Transaction effects amounted to approximately SEK 400m. Results from hedging contracts had a positive impact of approximately SEK 75m on operating income, compared to the previous year.

Compared to the previous year, translation of income statements in subsidiaries had a negative impact on operating income of approximately SEK –325m, mainly due to the weakening of the Euro and the US Dollar against the Swedish krona.

For additional information on effects of changes in exchange rates, see section on foreign exchange risk in Note 2.

Market overview

The overall European market for appliances was unchanged over the previous year. Demand in Western Europe declined by 3% and declined in for Electrolux important markets in Southern Europe. Demand in Eastern Europe increased by 9%. Demand in

the North American market declined by 4%. The market in Brazil increased and most other markets in Latin America also improved.

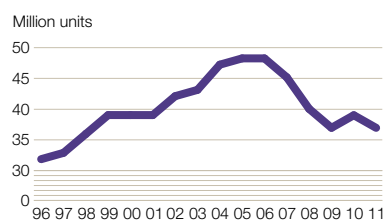
Demand for appliances in Europe in 2012 is expected to be flat or decline by up to two percent. Demand for appliances in North America is expected to be flat or increase by up to two percent.

Operations, by business area

SEKm ¹⁾	2011	2010
Major Appliances Europe, Middle East and Africa		
Net sales	34,029	36,596
Operating income	709	2,297
Margin, %	2.1	6.3
Major Appliances North America		
Net sales	27,665	30,969
Operating income	250	1,442
Margin, %	0.9	4.7
Major Appliances Latin America		
Net sales	17,810	16,260
Operating income	820	951
Margin, %	4.6	5.8
Major Appliances Asia/Pacific		
Net sales	7,852	7,679
Operating income	736	793
Margin, %	9.4	10.3
Small Appliances		
Net sales	8,359	8,422
Operating income	543	802
Margin, %	6.5	9.5
Professional Products		
Net sales	5,882	6,389
Operating income	841	743
Margin, %	14.3	11.6
Other		
Net sales	1	11
Operating income, common group costs, etc.	–744	–534
Total net sales	101,598	106,326
Operating income	3,155	6,494
Margin, %	3.1	6.1

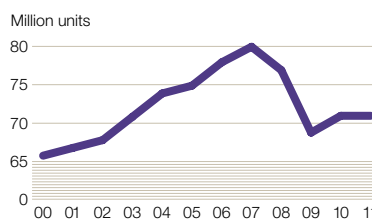
1) Excluding items affecting comparability.

Shipments of core appliances in North America



A total of approximately 37 million core appliances were sold in North America in 2011, which corresponds to a decline of 4% compared to 2010.

Shipments of core appliances in Europe, excl. Turkey



A total of approximately 71 million core appliances were sold in Europe in 2011, which were in line with the previous year. Demand in Western Europe declined by 3% while Eastern Europe increased by 9%.