

Other facts

Changes in Group Management

Stefano Marzano appointed Chief Design Officer

Stefano Marzano has been appointed Chief Design Officer, a new role at Electrolux. As of January 2012, Stefano Marzano is head of a new Group staff function gathering all the design-related competencies in the Group. This enables Electrolux to increase the relevance and speed of innovative product solutions taken to market. Stefano Marzano has had a long career at Royal Philips Electronics, for the past 20 years as Chief Design Officer.

In January 2011, Electrolux appointed Jan Brockmann and MaryKay Kopf to new roles within Group Management as Chief Technology Officer and Chief Marketing Officer, respectively. With the appointment of Stefano Marzano, the formal structure referred to as the Innovation Triangle is completed. This is to get R&D, Marketing and Design functions in synergy during the entire product creation process with an even clearer focus on customers and consumers.

Lars Worsøe Petersen is new Head of Human Resources

Since October 2011, Lars Worsøe Petersen is new Head of Group Staff Human Resources and Organizational Development. He succeeded Carina Malmgren Heander who is Head of a new Professional-Domestic business unit. Lars Worsøe Petersen was Head of Group Staff Human Resources at Husqvarna AB.

CFO Jonas Samuelson is new Head of Major Appliances Europe, Middle East and Africa

Since October 2011, Jonas Samuelson is new Head of Major Appliances Europe, Middle East and Africa. Mr. Samuelson's previous position was Chief Financial Officer and Head of Global Operations Major Appliances. He succeeded Enderson Guimarães, who has left Electrolux.

Tomas Eliasson appointed new CFO

Tomas Eliasson has been appointed new Chief Financial Officer. Tomas Eliasson assumed his new position in mid February. Mr. Eliasson was previously Chief Financial Officer and Executive Vice-President of ASSA ABLOY AB.

Jack Truong new Head of Major Appliances North America

Since August 2011, Jack Truong is new Head of Major Appliances North America. Jack Truong has previously held several senior management positions with the 3M Company in the US, Europe and Asia. Mr. Truong succeeded Kevin Scott, who has left Electrolux.

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, 2011, the Group had a total of 2,714 (2,800) cases pending, representing approximately 2,843 (approximately 3,050) plaintiffs. During 2011, 1,005 new cases with 1,006 plaintiffs were filed and 1,091 pending cases with approximately 1,211 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 2011, Electrolux operated 61 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 four plants in Sweden. Permits are required by authorities for all of these plants, which account for approximately 2% 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 2011.

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 2011.

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.