

November 15

We host our capital markets day and among other things announce measures to reduce costs

Appliance volumes in North America in 2011 are on a par with 1998 levels and are down about 25% on the peak levels noted in 2006. Volumes in Western Europe are in line with 1999 levels and are more than 10% lower than the corresponding peak level. For the years ahead, it is difficult to see what could trigger a recovery in demand in our mature markets that would return them to their former peak levels. In conjunction with our annual capital markets day, we therefore announced new measures aimed at continuing to adapt production capacity, costs and the organization to prevailing market conditions. We must put our foot on the accelerator and brake at the same time, which is a difficult balancing act. It means that we accelerate our production capacity in growth markets, such as Southeast Asia and China, to ensure that we do not lose our positions. Over the past years, we have grown strongly in Southeast Asia and, by adjusting our product offering, we are achieving profitability in China. A globally optimized manufacturing structure will ensure that we are more competitive in all of our markets.

February 2, 2012

We present our year-end report for 2011 and summarize a tough but eventful year

We post an underlying operating income of SEK 4 billion for 2012. Although this is SEK 2 billion below the preceding year's level, it is a solid result in light of the challenges we faced in our major markets in

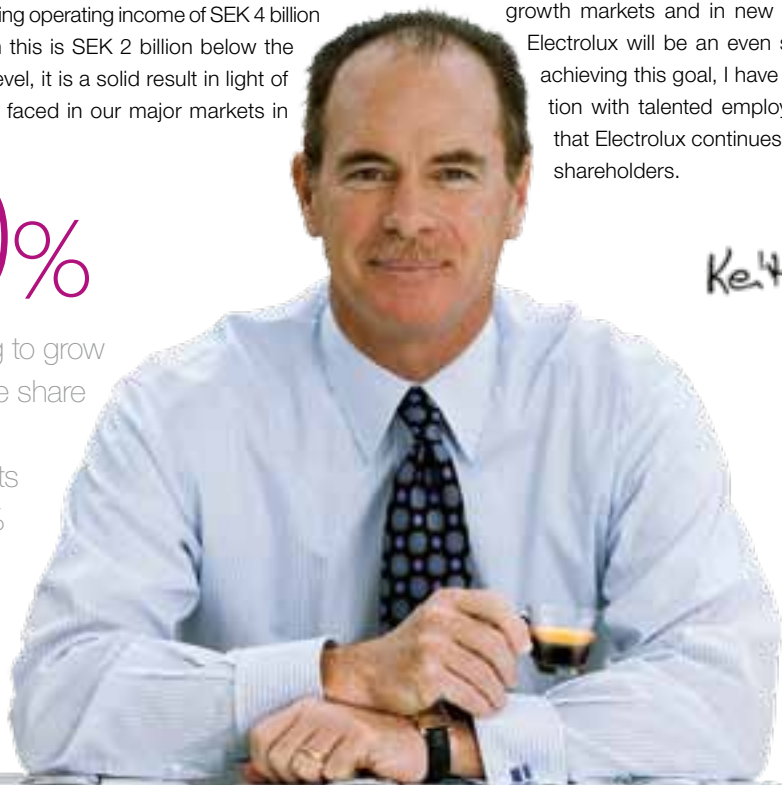
North America and Europe. Lower sale prices, increased raw-material costs and weak demand in our key mature markets meant that we experienced a headwind corresponding to nearly SEK 4 billion. As I described earlier, we acted and took strategic decisions to strengthen our competitiveness to reduce the impact on income caused by these external circumstances. At the same time, we have not been afraid to act aggressively by acquiring new companies and investing in new products. Several of our businesses continue to perform strongly. The operations in Latin America and Asia are recording new solid results, and profitability for the professional business and small appliances business remains at a very high level.

Although 2011 was an interesting and eventful year, it feels good to leave it behind us and cast our gaze to the future. The implementation rate of our strategy is increasing in order to consolidate our position as a global leader in appliances. In addition to integrating the acquired companies, we will also accelerate the pace of production launches in 2012. We will utilize the know-how we possess in our professional business. We will be even better at leveraging our position as the only company in our industry to offer products and solutions for both consumers and professional users in over 150 countries.

We see a continued period of volatility and uncertainty ahead of us in the socio-economic landscape. As such, we will manage the company in a way that keeps us prepared to address this unpredictability, while keeping an eye on the horizon and investing in our future. By maintaining strong control over costs and being receptive to new business opportunities, we will further strengthen our positions in growth markets and in new product areas. In one year's time, Electrolux will be an even stronger company. To assist me in achieving this goal, I have a dedicated, international organization with talented employees who work tirelessly to ensure that Electrolux continues to generate sustainable value for all shareholders.

50%

"By continuing to grow organically, the share of our sales in growth markets will reach 50% within a five-year period."



Keith R. McLoughlin

Stockholm, February 2012
Keith McLoughlin
President and CEO

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Photographer: Victor Brott