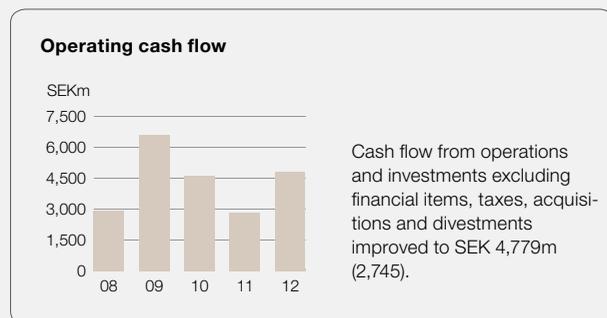


Cash flow

Operating cash flow

Cash flow from operations in 2012 far exceeded the level in the preceding year and amounted to SEK 7,155m (5,399). The improvement in operating income and the Group's ongoing structural efforts to reduce tied-up capital has contributed to the strong cash flow.

Payments for the ongoing restructuring and cost-cutting programs amounted to approximately SEK -495m in 2012.



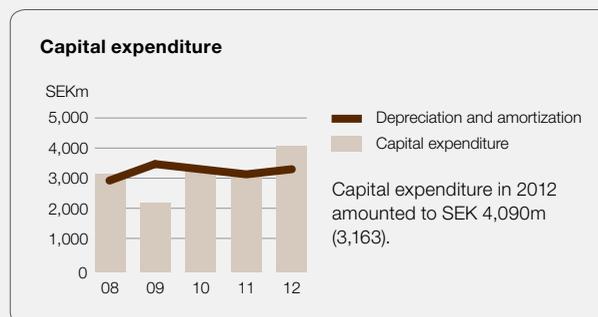
Capital expenditure, by business area

| SEKm | 2012 | 2011 |
|--------------------------------|--------------|--------------|
| Major Appliances | | |
| Europe, Middle East and Africa | 1,011 | 1,199 |
| % of net sales | 2.9 | 3.5 |
| North America | 1,771 | 700 |
| % of net sales | 5.8 | 2.5 |
| Latin America | 488 | 526 |
| % of net sales | 2.2 | 3.0 |
| Asia/Pacific | 411 | 286 |
| % of net sales | 4.9 | 3.6 |
| Small Appliances | 196 | 118 |
| % of net sales | 2.2 | 1.4 |
| Professional Products | 161 | 287 |
| % of net sales | 2.9 | 4.9 |
| Other | 52 | 47 |
| Total | 4,090 | 3,163 |
| % of net sales | 3.7 | 3.1 |

- Cash flow was positively impacted by improved earnings and changes in working capital.
- Capital expenditure increased and amounted to SEK 4,090m (3,163).
- R&D costs amounted to 1.9% (2.0) of net sales.

Capital expenditure

Capital expenditure in property, plant and equipment in 2012 amounted to SEK 4,090m (3,163). Capital expenditure corresponded to 3.7% (3.1) of net sales. Investments in 2012 mainly related to investments within manufacturing facilities for efficiencies, new products and production capacity. Major projects include the cooker plant in Memphis, Tennessee, USA, and the new plant for refrigerators and freezers in Rayong, Thailand, for the Southeast Asian markets. The cooker plant in Memphis is receiving investment support from state authorities.



Costs for R&D

Costs for research and development in 2012, including capitalization of SEK 477m (374), amounted to SEK 2,128m (2,043), corresponding to 1.9% (2.0) of net sales.

For definitions, see Note 30.