

# Q1 Results, April 27, 2010

*Hans Stråberg, President and CEO*

*Jonas Samuelson, CFO*

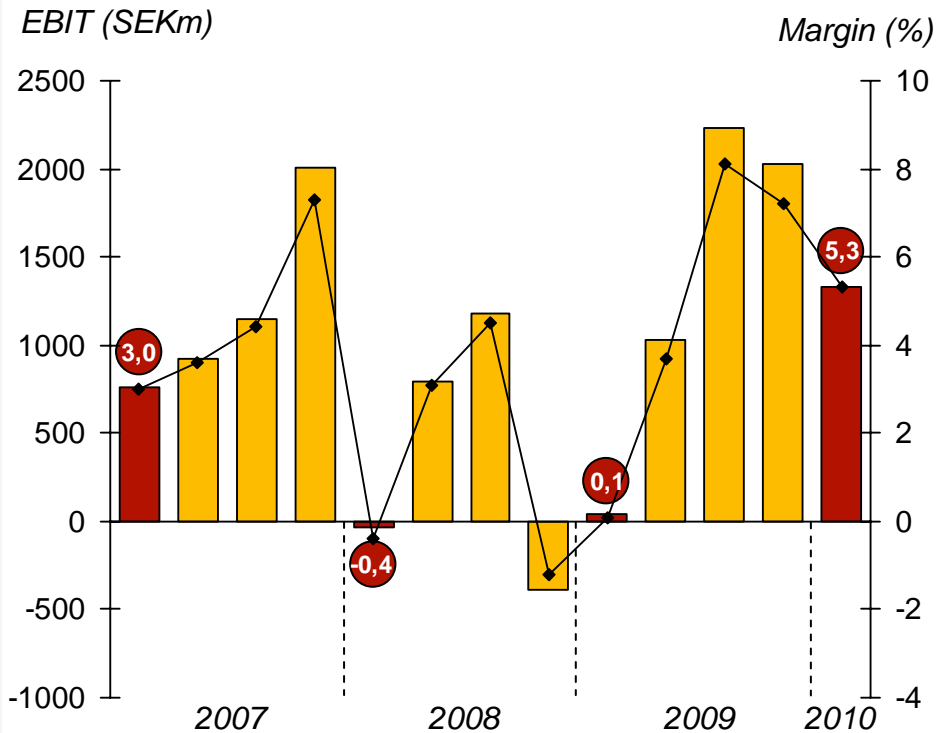
*Peter Nyquist, IR*



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# Q1 Highlights

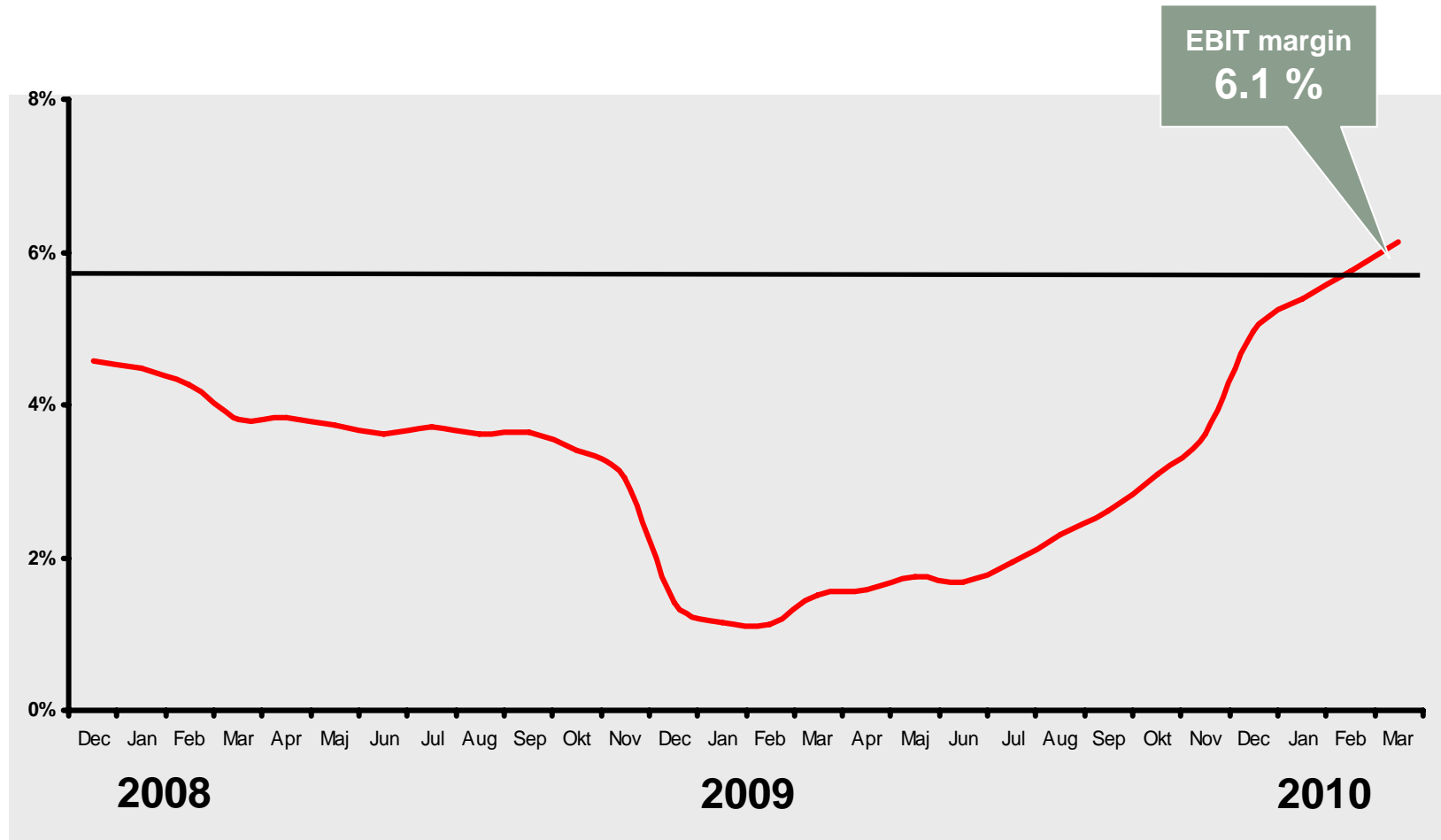


(SEKm)	Q1 2010	Q1 2009
Sales	25,133	25,818
EBIT	1,326	38
Margin	5.3%	0.1%

- Net sales increased by 4% in comparable currencies
  - Solid recovery in the US
  - Strong demand in Brazil
- EBIT amounted to SEK 1,326m, excluding items affecting comparability
  - Increased efficiency
  - Mix and price improvements
  - Favorable currencies

# Rolling 12 months broke Electrolux EBIT margin target in March 2010

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# Electrolux financial targets based on the last 12 months

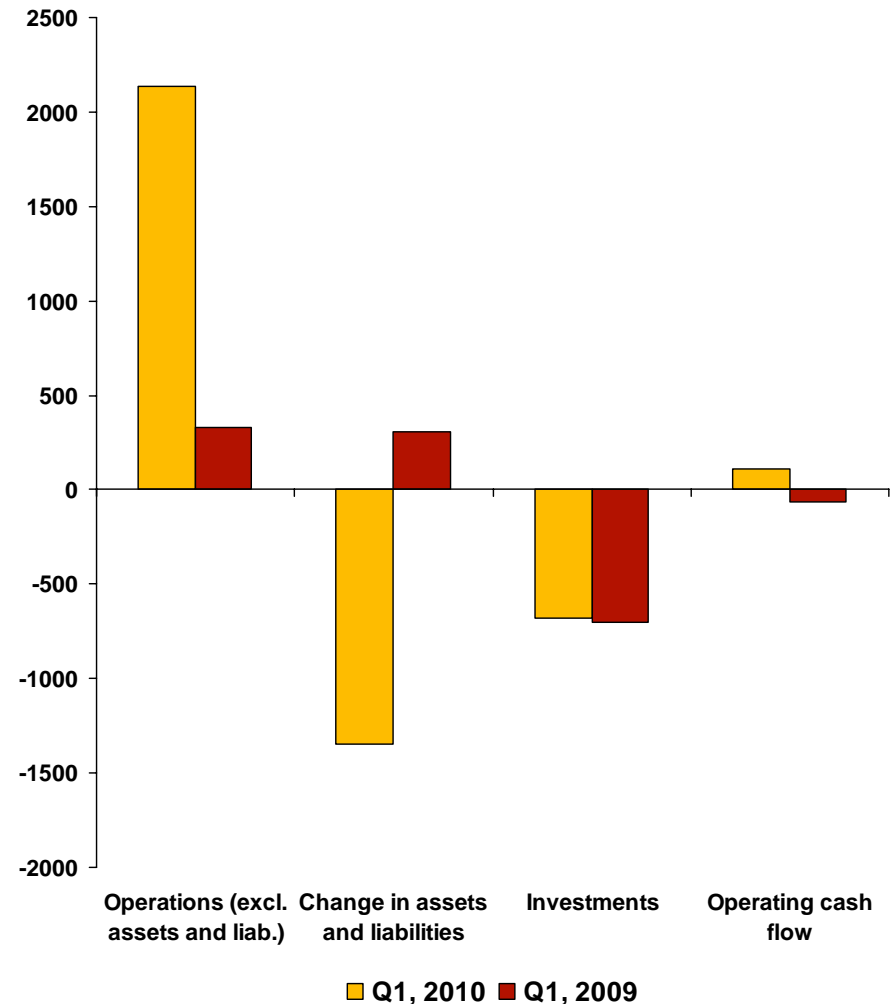
Financials	Target	Outcome
Growth <sup>1)</sup>	>4%	-1.6%
Gross margin	>21%	21.4%
EBIT	>6%	6.1%
Capital TO <sup>2)</sup>	>4x	4.4x
ROCE <sup>2)</sup>	>25%	26.5%

1) Currency-adjusted growth

2) Capital employed defined as Equity + Net Financial Liabilities

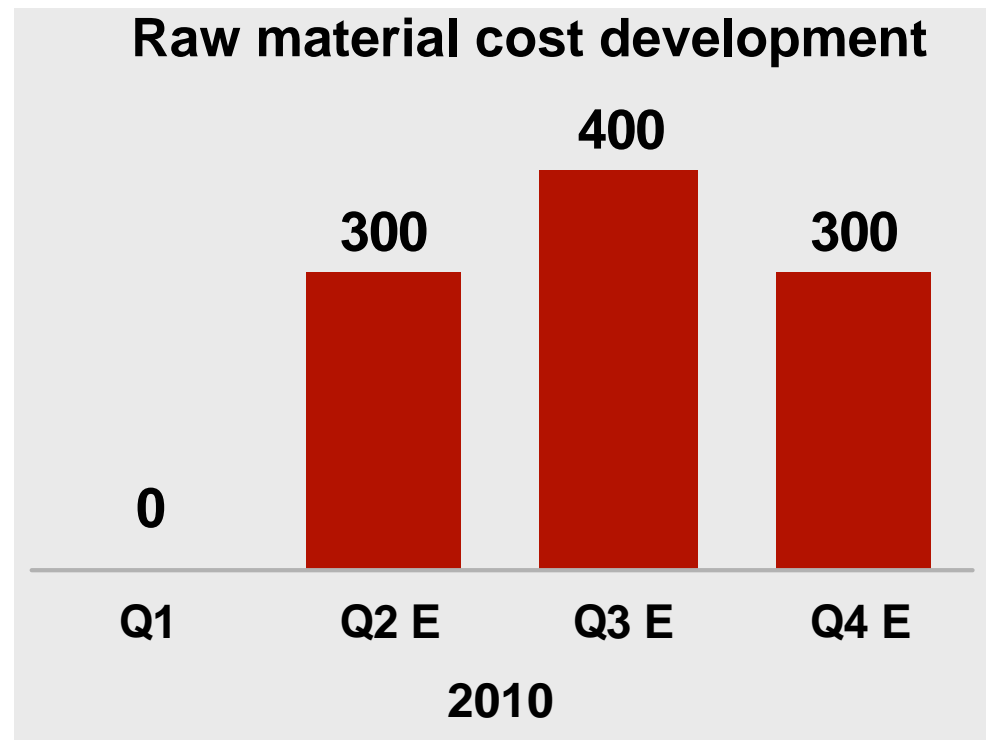
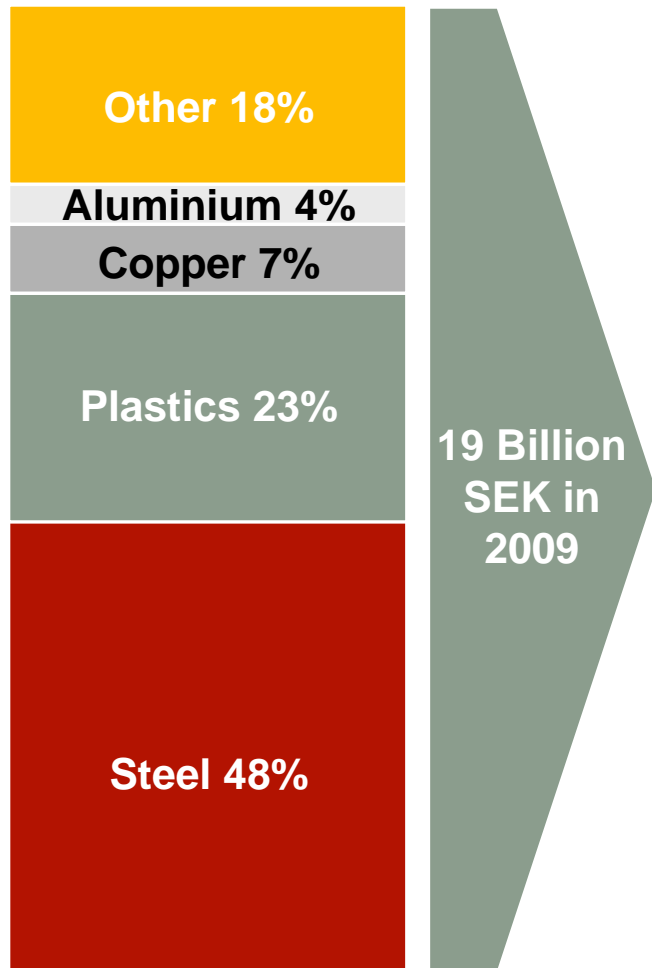
# Operating cash flow Q1, 2010

- Stable cash flow
- Positive earnings contribution
- Build-up of inventories
  - Low level at the end of 2009
  - Seasonal sales pattern
- Continued favorable development of working capital/net sales
- Low investment level

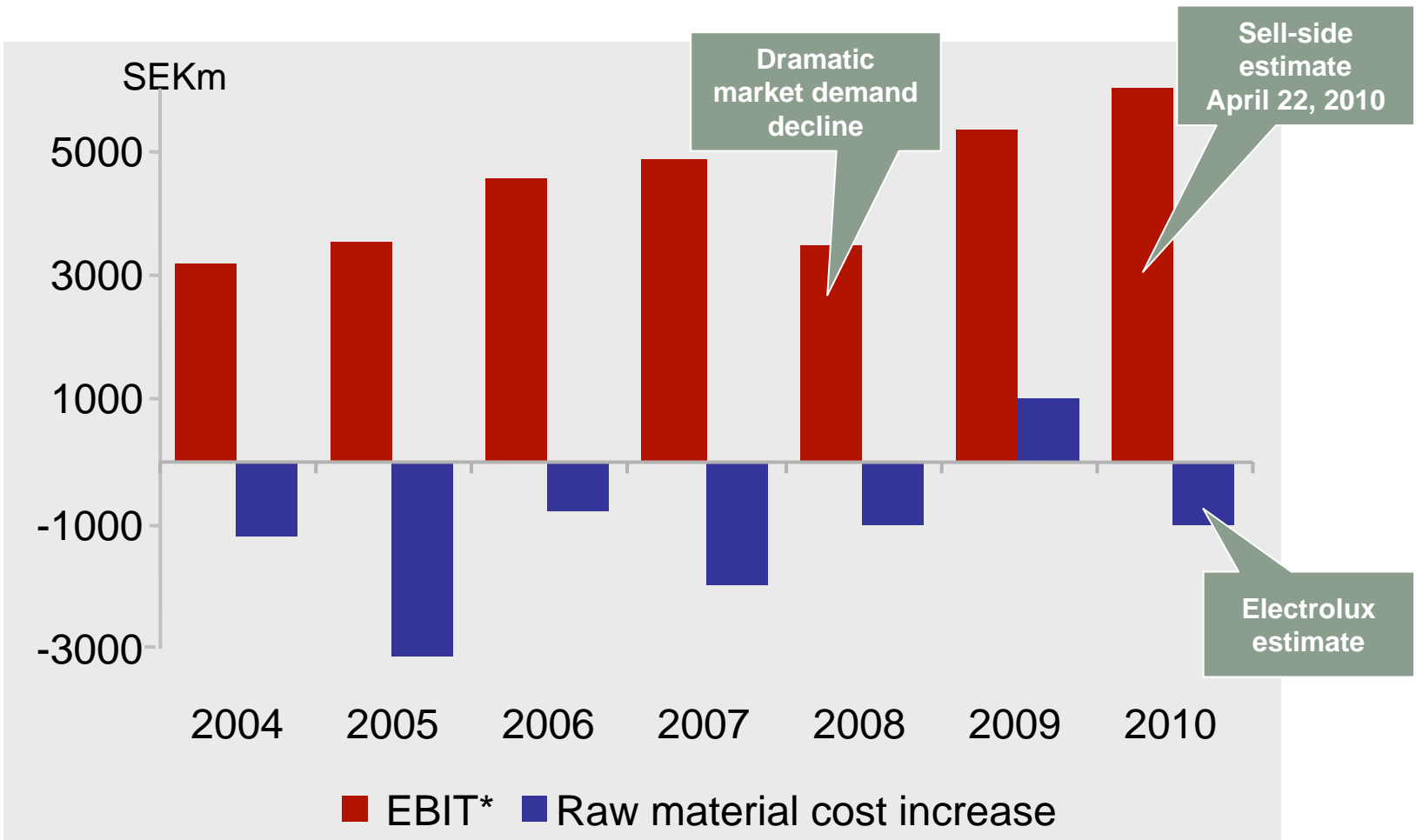


# An increase of max SEK 1 billion in cost for raw-material in 2010

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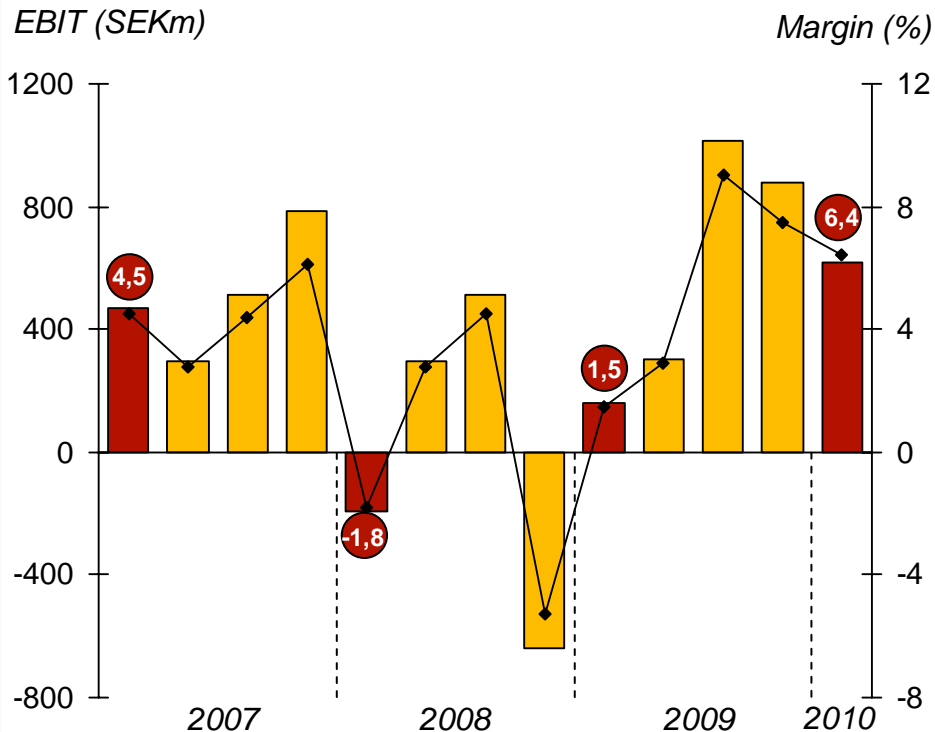


# Limited correlation between results and raw-material cost increases



\* Excluding items affecting comparability. In 2008, one-offs are excluded.

# Consumer Durables Europe



(SEKm)	Q1 2010	Q1 2009
<b>Sales</b>	<b>9,719</b>	<b>10,568</b>
<b>EBIT</b>	<b>620</b>	<b>160</b>
<b>Margin</b>	<b>6.4%</b>	<b>1,5%</b>

2009-2010 numbers are restated due to new reporting structure

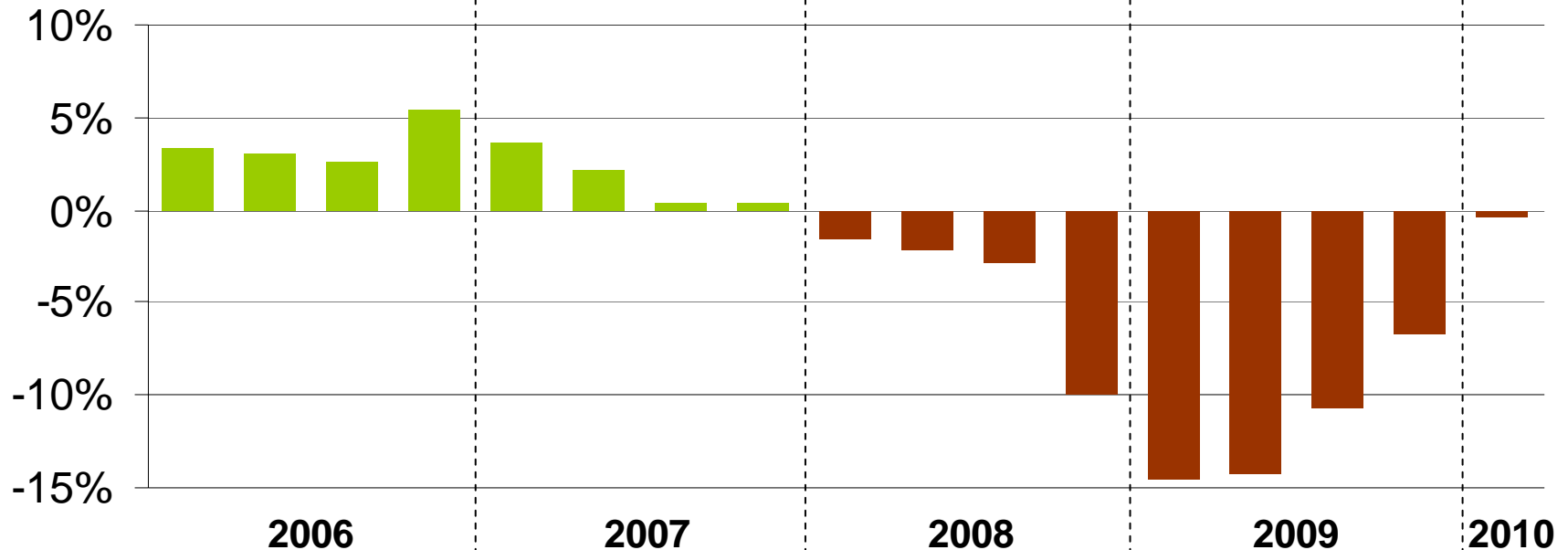
- Lower sales
  - Decline in private label sales
- Strong EBIT improvement
  - Positive price/mix - strengthened position within the built-in segment
- Cost savings
  - Previous cost measures
- Lower costs for raw materials compared to previous year
- Strong results for floor-care products – mix improvement and positive currency impact



# The European market stabilized in Q1, 2010

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## Quarterly comparison, year-over-year

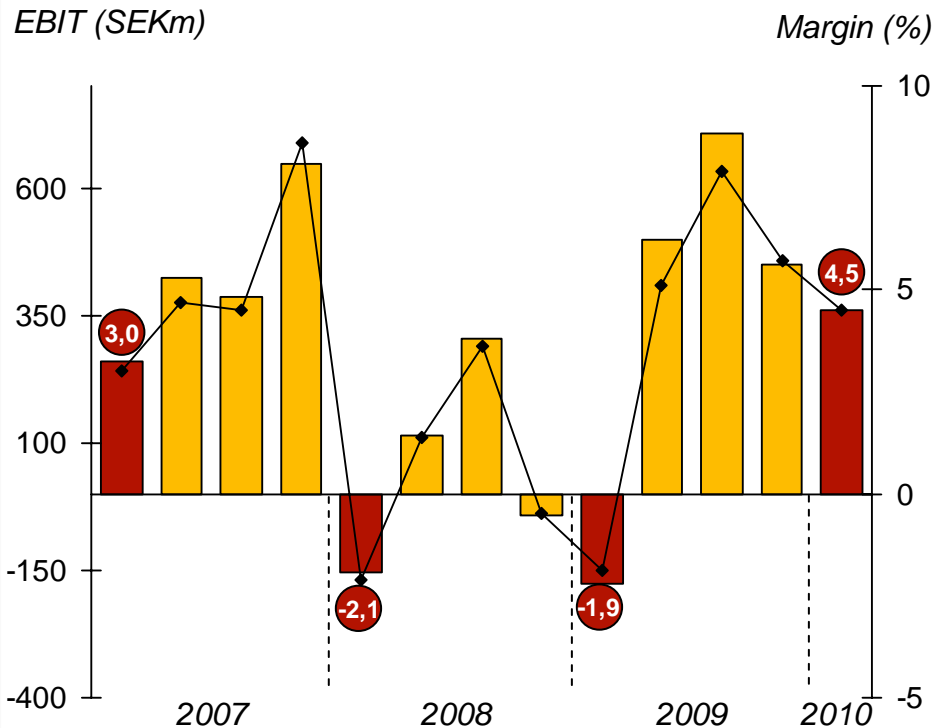


	2006				2007				2008				2009				2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
West. Europe	4%	1%	1%	5%	1%	1%	-1%	-5%	-4%	-4%	-5%	-8%	-9%	-9%	-4%	-2%	1%
East. Europe	1%	9%	6%	7%	14%	5%	5%	10%	6%	5%	4%	-15%	-31%	-30%	-26%	-17%	-7%



# Consumer Durables North America

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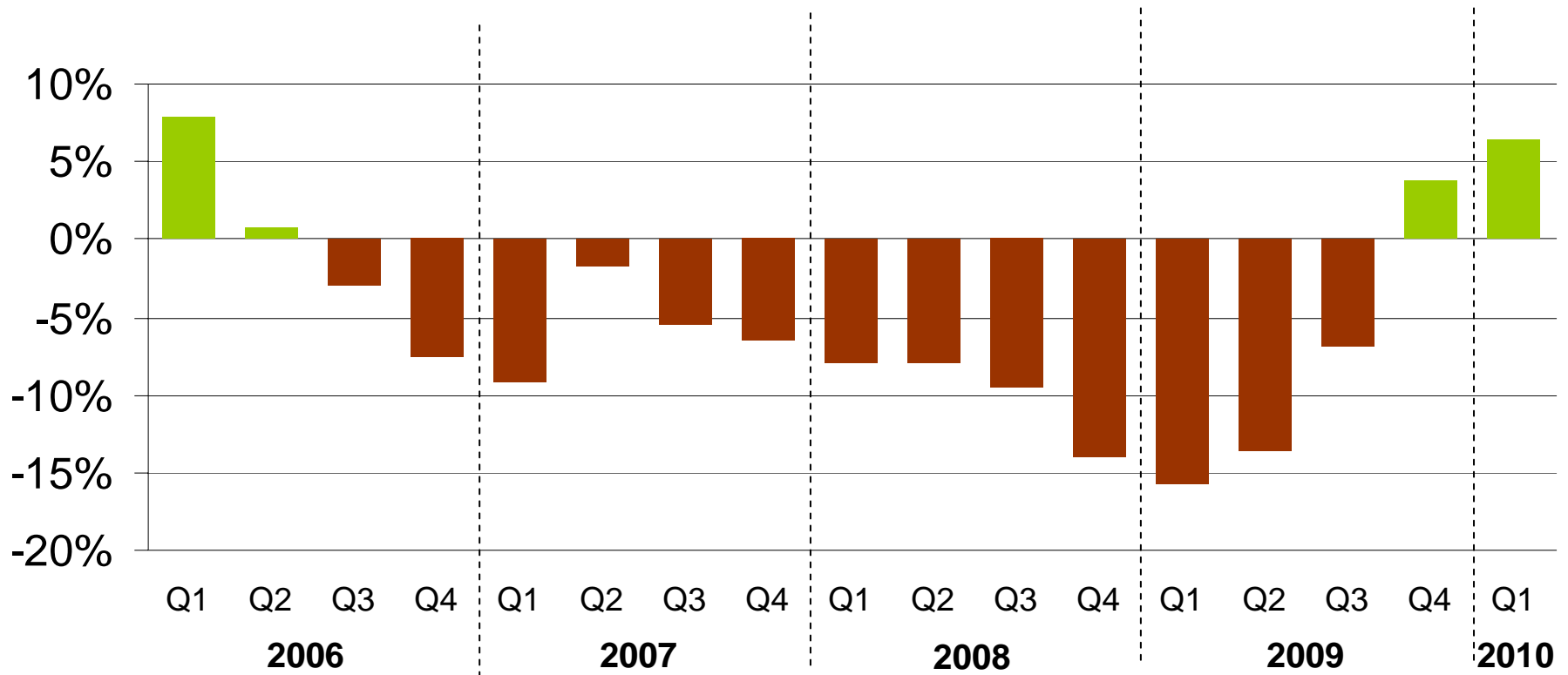
(SEKm)	Q1 2010	Q1 2009
Sales	7,995	9,144
EBIT	360	-177
Margin	4.5%	-1.9%

- Local currency sales in line with previous year
  - Exited unprofitable volumes in private label
  - Increased sales under the Frigidaire and Electrolux brands
- Strong improvement in earnings
  - Improved mix
  - Improved efficiency
  - Higher costs for raw materials
- Higher sales and improved operating income and for floor-care products

In North America, we saw the second quarter of growth in three years...

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## Quarterly comparison, year-over-year



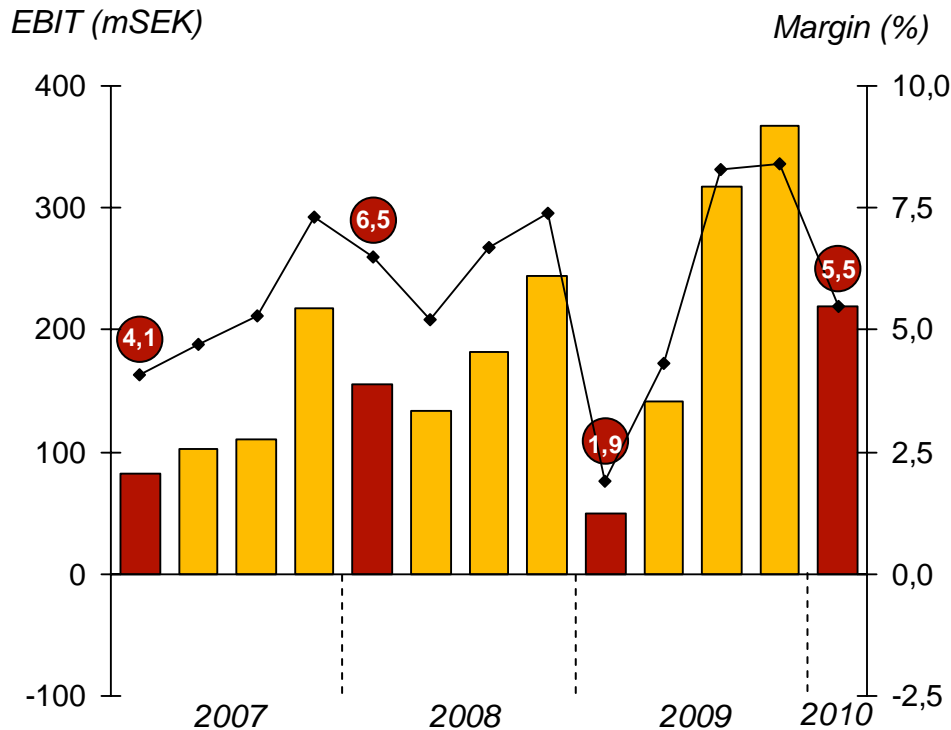








# Consumer Durables Latin America



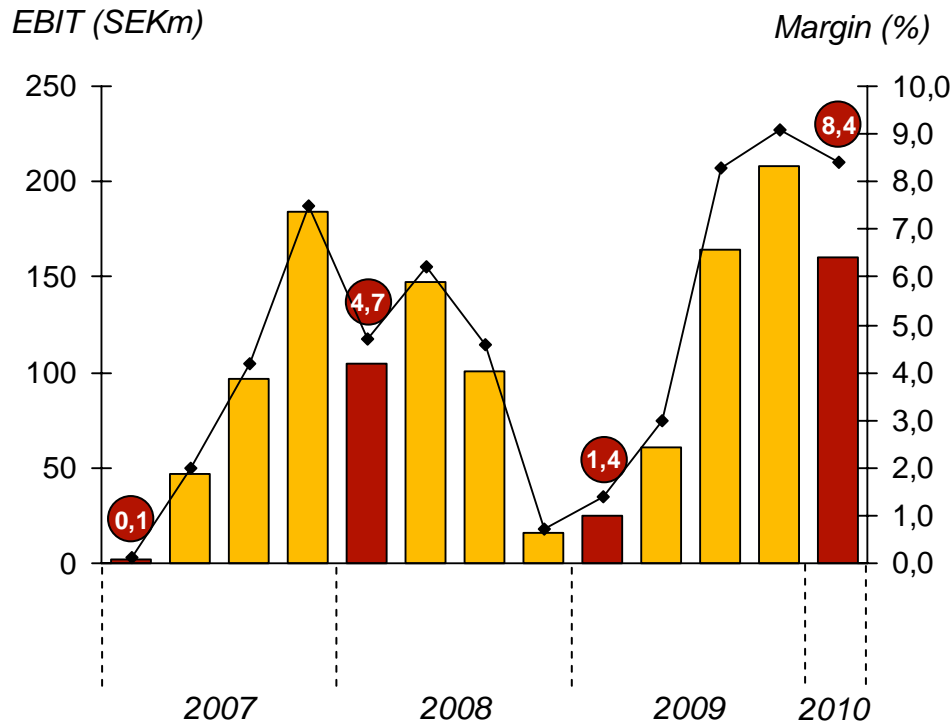
(SEKm)	Q1 2010	Q1 2009
Sales	3,998	2,625
EBIT	220	50
Margin	5.5%	1.9%

- Continued strong demand in Brazil
  - In spite of expired tax incentives
- Improved operating income
  - Improved product mix
- Lower raw-material costs
- Positive currency impact



# Consumer Durables Asia Pacific

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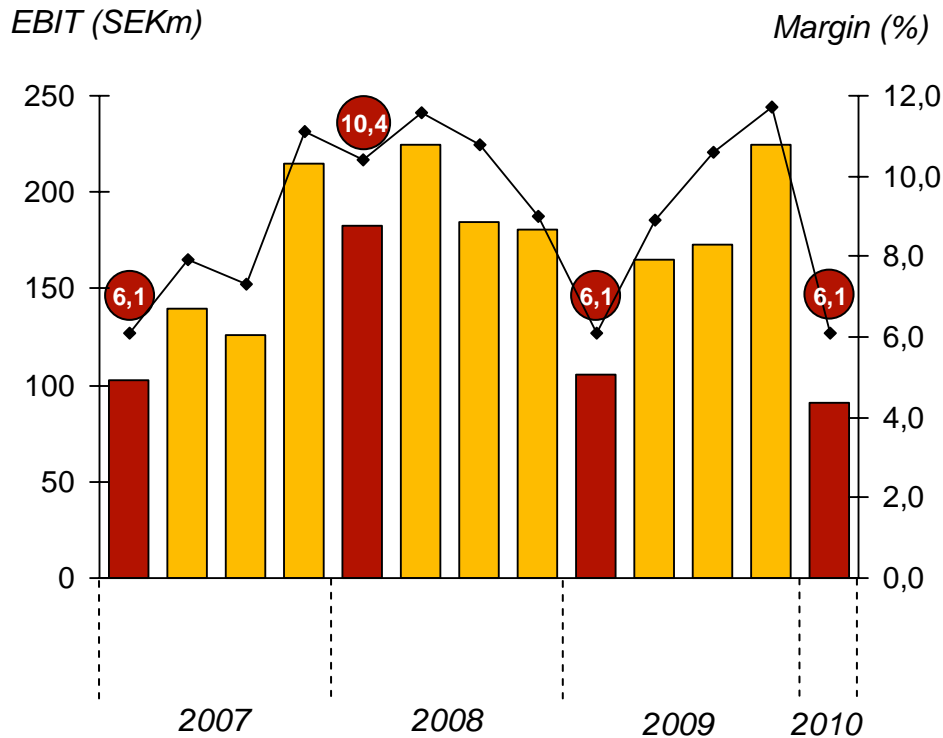



(SEKm)	Q1 2010	Q1 2009
Sales	1,912	1,752
EBIT	160	25
Margin	8.4%	1.4%

2009-2010 numbers are restated due to new reporting structure

- **Australia: Improved EBIT despite market decline**
  - Improved product mix
  - Positive currency impact
  - Improved efficiency
- **Southeast Asia**
  - Market share gain in a strong market
  - Product launches
- **China**
  - Positive impact of cost-cutting measures

# Professional Products



(SEKm)	Q1 2010	Q1 2009
Sales	1,501	1,727
EBIT	91	105
Margin	6.1%	6.1%

- Food service
  - Weak market demand
  - Improved operating income through higher production efficiency and lower costs for raw materials
- Laundry products
  - Weak market demand
  - Slight decline in operating income

# 2010 going forward

## Top line development

- Product mix
- Volume
- Price

+

- Launch of new products
- A stable market growth
- Defend current levels

## Support earnings

- Cost
- Currency

+

- Positive impact from savings
- Tailwind first half peaked in Q1

## Take into account

- Raw-material market
- Investments in marketing

-

- Headwind starting in Q2
- Increased support of product launches

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# Factors affecting forward-looking statements

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## **Factors affecting forward-looking statements**

This presentation contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.