

*Thinking of you*



# Press release

Stockholm, October 27, 2010

President and CEO Hans Stråberg's comments on the third-quarter results of 2010

## Strong result in a volatile market

**Electrolux presents a very strong result for the third quarter. Substantial increases in raw material costs and increased investments in marketing account for somewhat lower earnings than last year. Despite this, we reached an operating margin of 6% for the first three quarters.**

**This result strengthens my conviction that our goal of a 6% operating margin for the full-year 2010 is within reach.**

I want to take special notice of the operations in Europe, which report a good result for the third quarter, even excluding certain positive non-recurring items. The earnings are primarily the result of continued success within the profitable built-in segment. I am convinced that, through the launch of our new premium built-in products, we can expect a continued positive development. The products were unveiled at the important IFA trade show in Berlin. Our customers who visited the trade show were very impressed by our products and the comprehensive marketing efforts that will support the launch.

The operations within professional products succeeded in a very difficult market to reach an operating margin of 14%, the highest ever. This shows that our strategy—a very competitive product offering in combination with stringent control of costs—is also successful in this segment.

The operations in Asia/Pacific have once again managed to achieve record earnings; this is a result of their taking advantage of strong growth in Southeast Asia, turning around the negative trend in China and successfully manoeuvring in a tough Australian market.

The market continues to be volatile, and different types of stimulus measures make the forecasting of developments difficult, not least in North America. There, we experienced a very strong second quarter as a result of the government-sponsored rebate programs to promote energy-efficient products. Consumers took advantage of this opportunity by advancing their purchases of appliances, which in turn resulted in a drop in demand during the third quarter. As a result of the market volatility, price promotions were intensified at the end of the quarter, especially in the US.

In the third quarter, our costs for raw materials increased by nearly SEK 500 million compared to last year. The prices of many of our raw materials have again begun to rise, which will increase costs in 2011.

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We are now expanding in regions of strong growth. In this quarter, we reached a preliminary agreement to acquire the majority of the Egyptian company Olympic Group, the largest appliances company in the fast-growing North African and Middle East regions. We also acquired a washing-machine plant in Ukraine to strengthen our position in Eastern Europe and Russia.

As previously reported, I will, after 27 years—nine of which as President and CEO—leave Electrolux at year-end 2010. This was not an easy decision for me, but after leading the work to change Electrolux from a manufacturing-driven to a consumer-driven company by investing in innovative products, strong brands and a cost-efficient production, I consider my mission accomplished. My decision was made easier by the fact that I can hand over the baton to Keith McLoughlin, with whom I've worked closely for eight years. He will lead Electrolux in its next phase of development toward profitable growth and continued cost efficiency.

After the three first quarters of 2010, we have exceeded our margin goal of 6%. This is a result of the implementation of our strategy to focus on innovative products, strong brands and a cost-efficient production. One quarter remains, and I am confident that 2010 will be the year we reach our target of an operating margin of 6%.

Stockholm, October 27, 2010

Hans Stråberg  
President and Chief Executive Officer

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on October 27, 2010.

## About Electrolux

Electrolux is a global leader in home appliances and appliances for professional use, selling more than 40 million products to customers in 150 countries every year. The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, vacuum cleaners and cookers sold under esteemed brands such as Electrolux, AEG-Electrolux, Eureka and Frigidaire. In 2009, Electrolux had sales of SEK 109 billion and 51,000 employees. For more information, visit <http://www.electrolux.com/press>