

Thinking of you



Press release

Stockholm, April 27, 2011

President and CEO Keith McLoughlin's comments on the results for the first quarter of 2011

Focus on price

Demand in most of Electrolux main markets showed good growth in the first quarter. In North America, profitability was pressed by increasing raw-material costs and continued pressure on prices. To mitigate cost increases in North America, we are raising prices during the second quarter.

In the first quarter, the development in North America was characterized to a great extent by increasing raw-material costs at the same time as price pressure continued. One positive turn of events is that we are now increasing prices which will gradually take effect in the second quarter. The stable demand in the North American market has supported the implementation of price increases.

Demand in the European market also showed a stable development in the first quarter. In Europe, we need to implement selective price increases to compensate for increasing raw-material costs. It will, however, take time before the price increases will give effect, but we hope to see the positive effects in the second half of 2011. Our launch of new, innovative products under the AEG brand continues. The new products are an important part of our work to regain market shares, and at the same time strengthen our product mix.

The prices of some of our most important raw materials continue to increase, especially plastics. We expect our costs for raw materials to increase in 2011 by about SEK 2 billion compared to the previous year. Our ambition is to gradually compensate for the increase in costs through price increases, improvements in product mix and cost savings.

As you will notice in this first quarter report, the Group's operations for vacuum cleaners and small domestic appliances are now reported as a separate global business area. The change is due to the good development of these operations, which today make up a significant part of the Group's sales and profit. We believe it is important for those who follow Electrolux to be able to understand the potential this business area has to grow and to strengthen the Electrolux brand for our major appliances.

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Accelerating Electrolux profitable growth is a priority task moving forward. During the first quarter of 2011, we were able to grow our business in emerging markets by close to 10%. The focus is to continue taking advantage of the organic growth in fast-growing markets and as a complement grow with profitable acquisitions. It is very important that this growth strengthens the Electrolux profitability targets of a 6% operating margin and a return on net assets of 25%. Profitable growth will be an important part of our journey to continue to generate a high return to our shareholders.

Stockholm, April 27, 2011

Keith McLoughlin
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 April 27, 2011.

About Electrolux

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. The company focuses on innovative products 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, cookers and air-conditioners sold under esteemed brands such as Electrolux, AEG, Eureka and Frigidaire. In 2010 Electrolux had sales of SEK 106 billion and 52,000 employees. For more information go to www.electrolux.com/press and www.electrolux.com/news.