

# Q3 Results, October 28, 2011

*Keith McLoughlin, President and CEO*

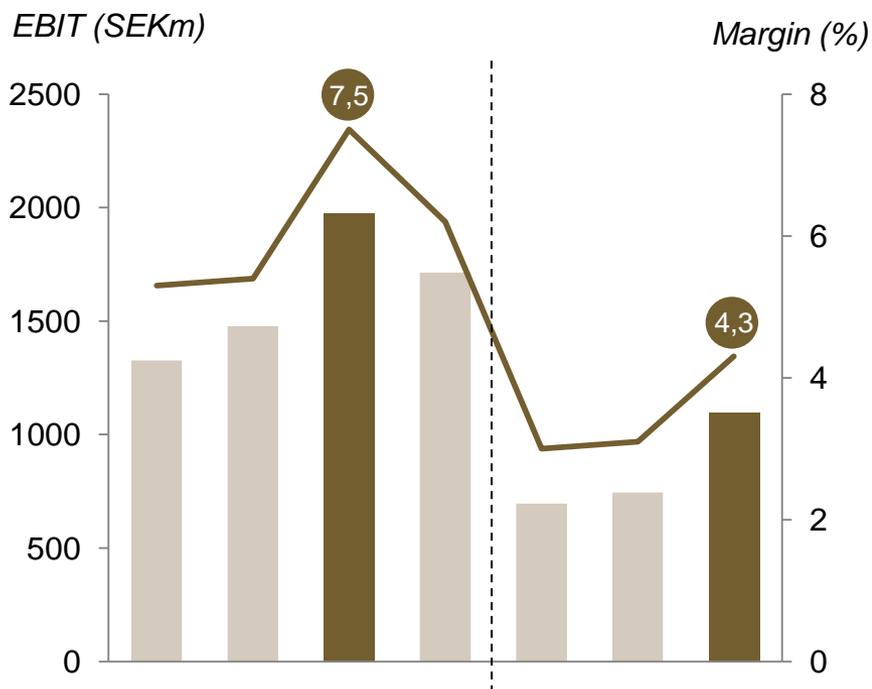
*Jonas Samuelson, Head of EMEA (Former CFO & COO)*

*Peter Nyquist, SVP IR and Financial Information*



*Thinking of you*  
**Electrolux**

# Q3 Highlights



(SEKm)	Q3 2011	Q3 2010
Sales	25,650	26,326
EBIT*	1,098	1,977
Margin	4.3	7.5

\* Excluding items affecting comparability

- EBIT declined to SEK 1,098m
  - Weak demand
  - Price pressure
  - Higher costs for raw materials
  - Higher costs for sourced products
- Solid results for Professional Products and Latin America
- Completion of acquisitions
- Solid cash flow
- Restore results going forward
  - Increase prices
  - Adapt cost structure
  - Global Operations

# Q3 Cash flow



- Operating cash flow amounted to SEK –1,366m
  - Payment of Olympic Group amounted to SEK –2,556m
  - Excluding the payment, the operating cash flow amounted to SEK 1,190m
- Lower operating income than in Q3, 2010
- Seasonally higher sales in the quarter
  - High sales in September impacted inventories and accounts receivable
- Investments in new products
- Continued structural improvement of working capital

# Acquisition of Olympic Group completed



- Mandatory tender offer completed
  - Electrolux now owns 98% of the shares
- Consolidated as of September 2011
- Intention to delist Olympic's shares in Q1, 2012 at the latest

## Olympic Group

2010 (SEK, recurring figures, excluding Namaa & B-Tech)

Sales 2.5bn

EBIT 280m

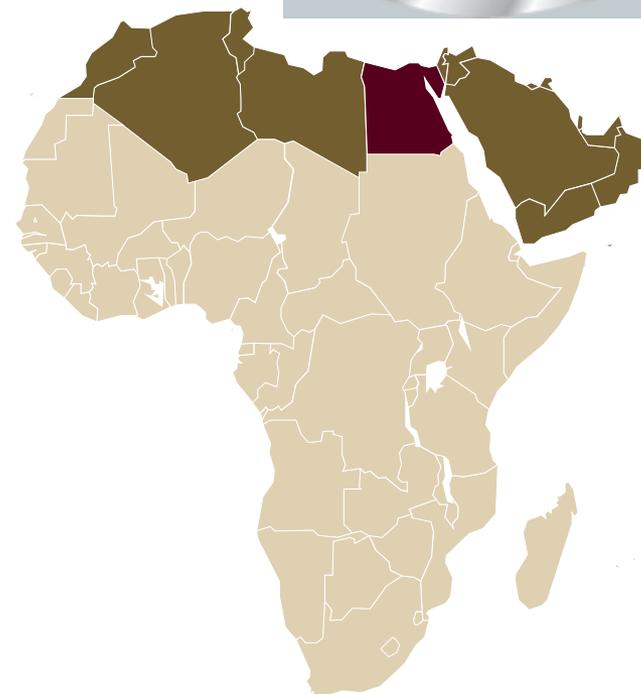
EBIT margin 11%

Net profit 200m

**OLYMPIC**  
electric



 **Electrolux**



# Acquisition of CTI completed



- Cash tender offers closed
  - Electrolux now owns 98% of the shares in CTI and 97% of the shares in CTI's subsidiary Somela
- Consolidated as of October 2011
- Remaining shareholders will have the opportunity to sell their shares over a limited period of time

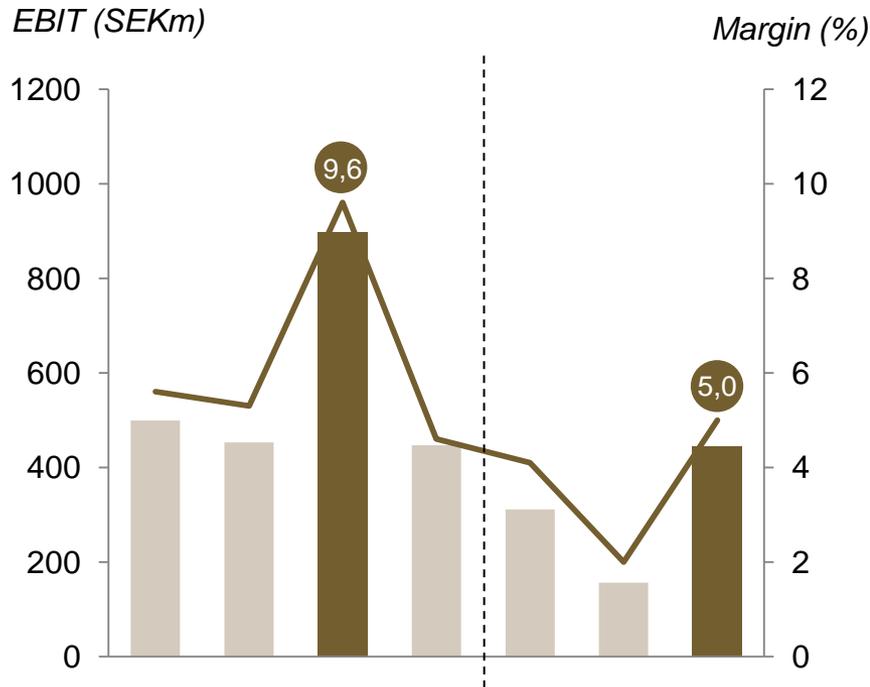
## CTI

2010 (SEK, recurring figures)

Sales	2.9bn
EBIT	450m
EBIT margin	16%
Net profit	330m



# Consumer Durables Major Appliances Europe, Middle East & Africa



(SEKm)	Q3 2011	Q3 2010
Sales	8,964	9,395
EBIT	444	898
Margin	5.0	9.6

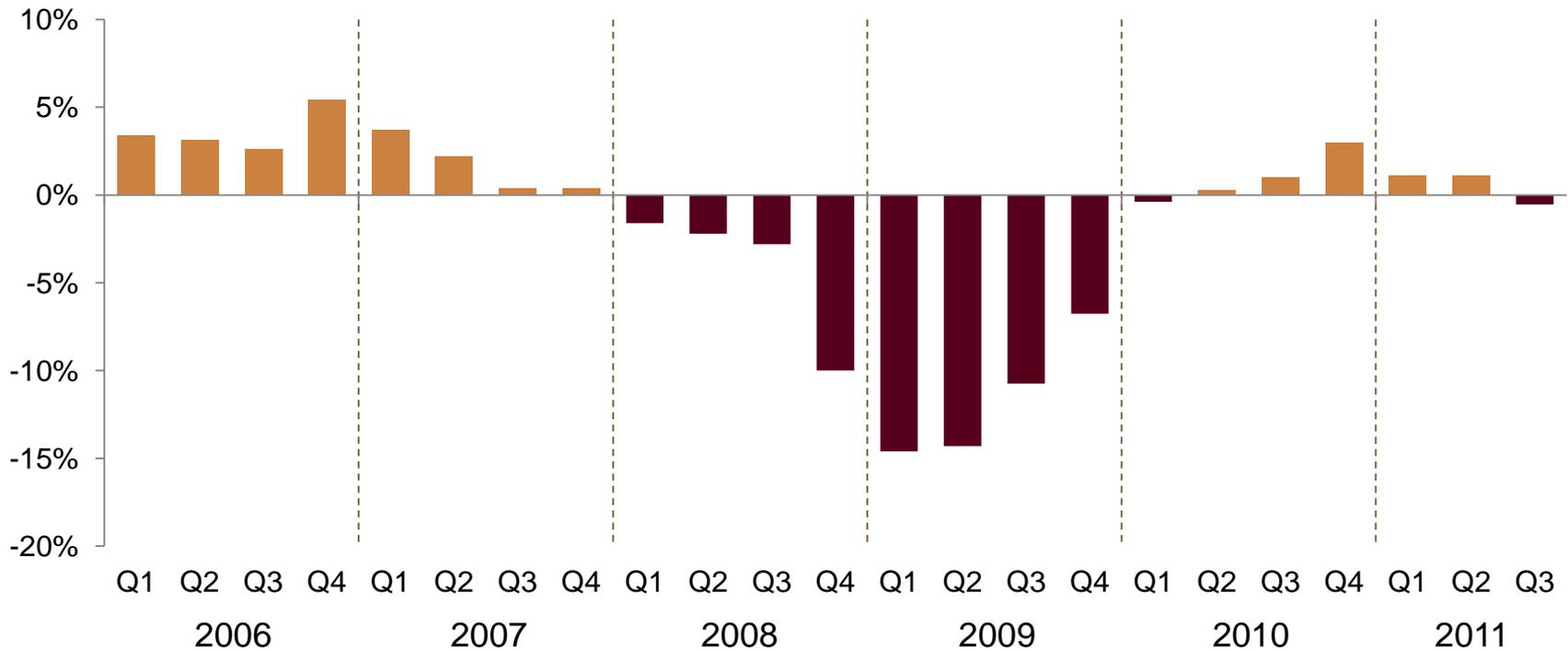
- Demand weakened further
- Lower sales as a result of lower volumes and prices
- Lower EBIT
  - Lower volumes
  - Lower prices
  - Higher costs for raw materials
  - Increased transportation costs
- Positive mix contribution from AEG launch
- Price increases going forward
- Positive one-off of SEK 150m in Q3, 2010

# Negative growth in Europe

Further weakening in Southern Europe and slow-down in Eastern Europe



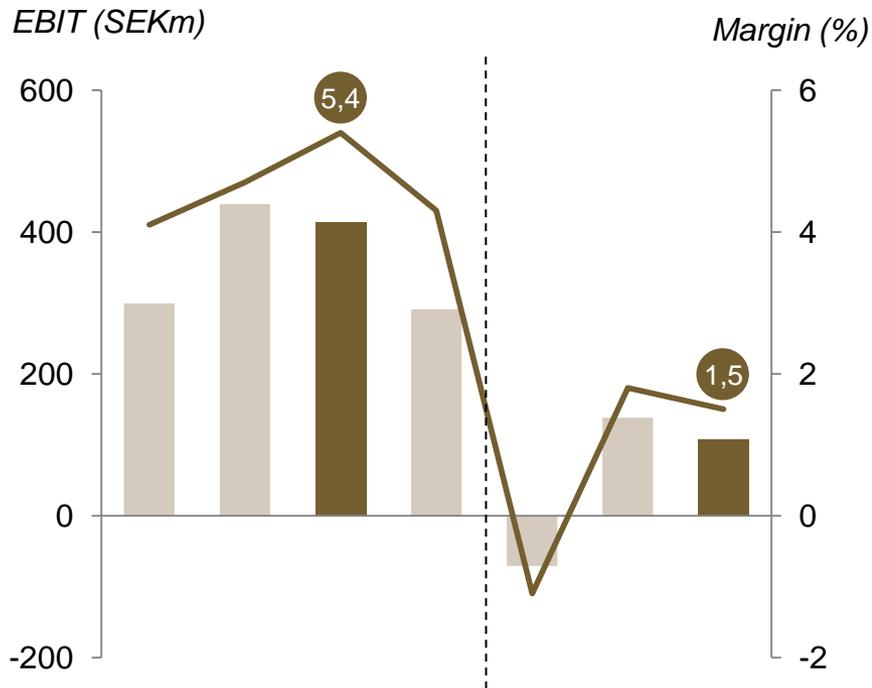
## Quarterly comparison y-o-y



Market Development %

W. Eur.	+4	+1	+1	+5	+1	+1	-1	-5	-4	-4	-5	-8	-9	-9	-4	-2	+1	0	0	0	-2	-2	-3
E. Eur.	+1	+9	+6	+7	+14	+5	+5	+10	+6	+5	+4	-15	-31	-30	-26	-17	-7	+1	+5	+13	+13	+12	+7

# Consumer Durables Major Appliances North America



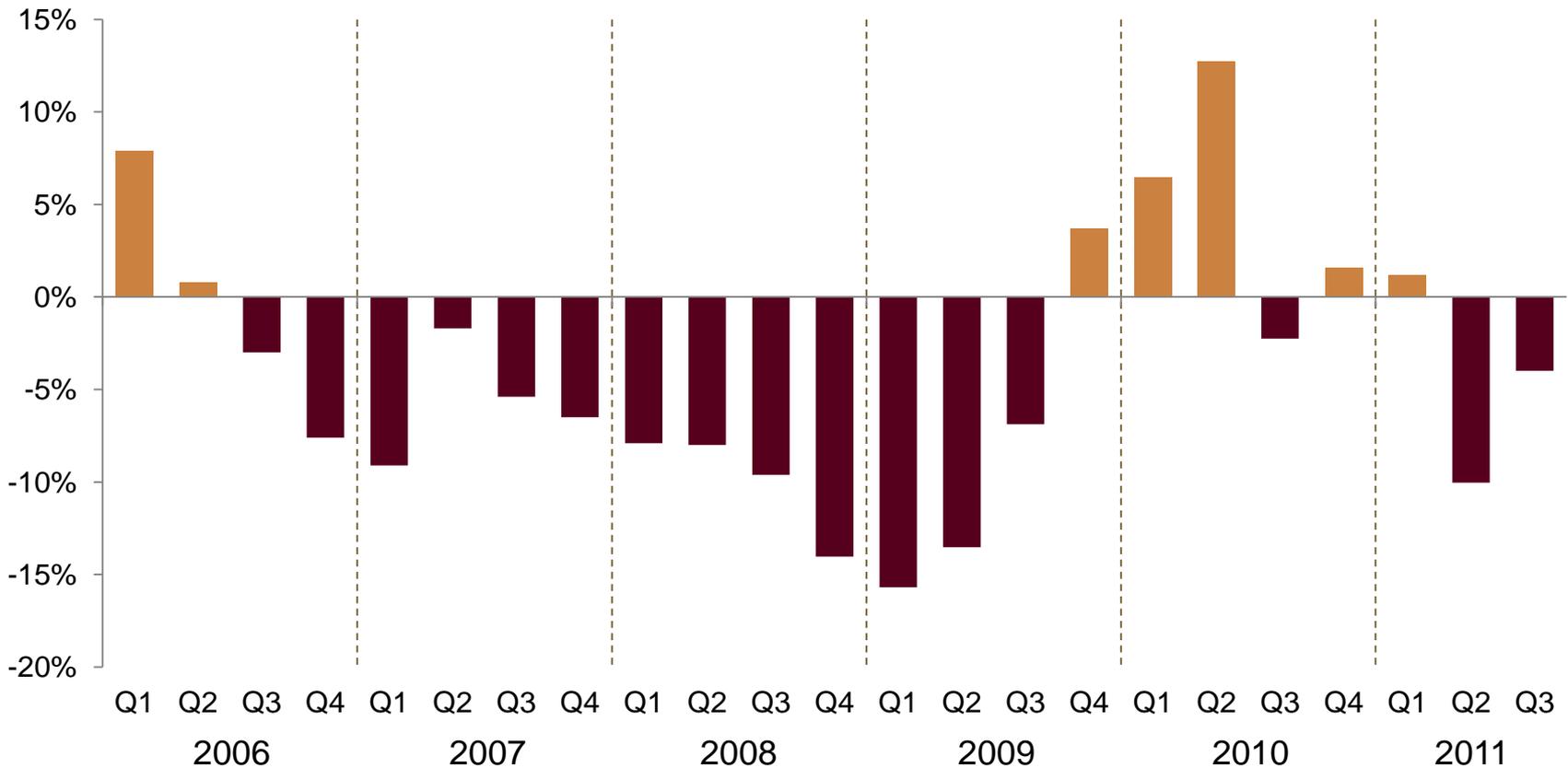
(SEKm)	Q3 2011	Q3 2010
Sales	7,122	7,604
EBIT	107	413
Margin	1,5	5,4

- Increased sales in comparable currencies
- EBIT declined to SEK 107m
  - Negative price/mix
  - Higher raw-material costs
  - Higher transportation costs
  - Higher product costs
  - Extensive promotional activities
- Prices sequentially higher than in Q2 but lower than in Q3, 2010

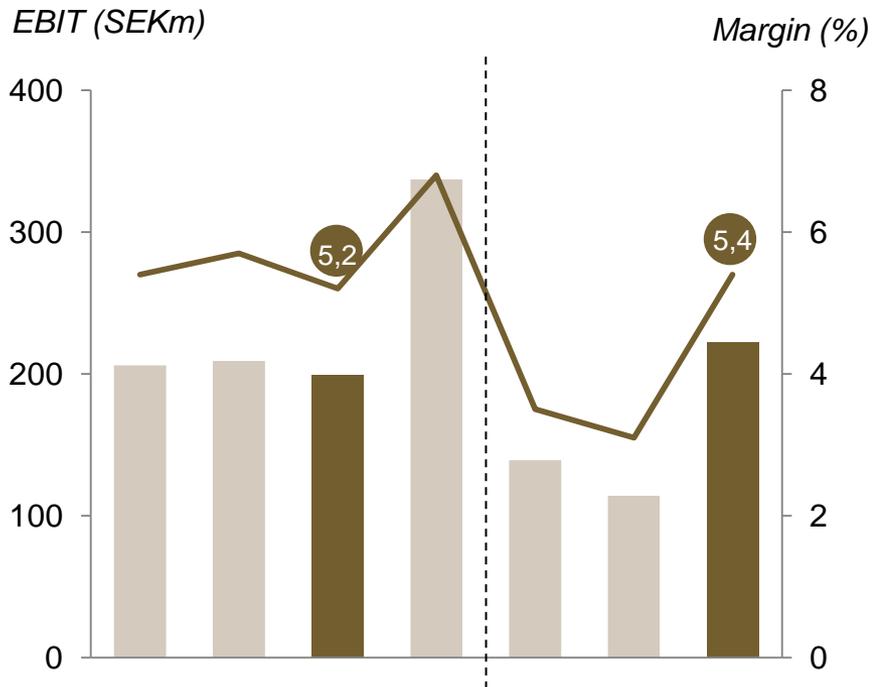
# Market in North America continued to decline in Q3



## Quarterly comparison y-o-y



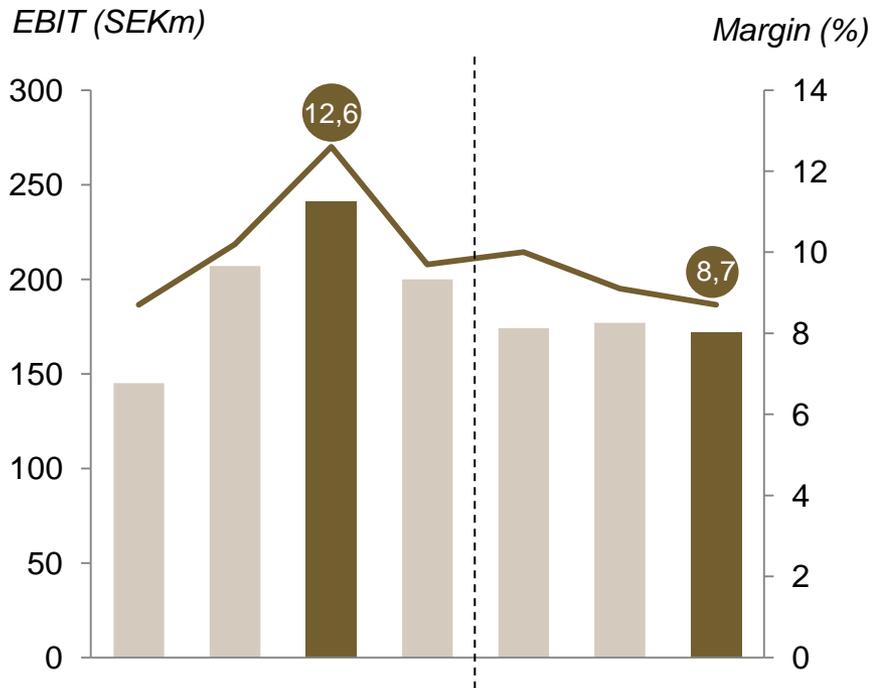
# Consumer Durables Major Appliances Latin America



(SEKm)	Q3 2011	Q3 2010
Sales	4,101	3,810
EBIT	222	199
Margin	5.4	5.2

- Market growth in Brazil and in the rest of Latin America
- EBIT improved to SEK 222m
  - Higher volumes
  - Negative customer mix due to consolidation of retailers

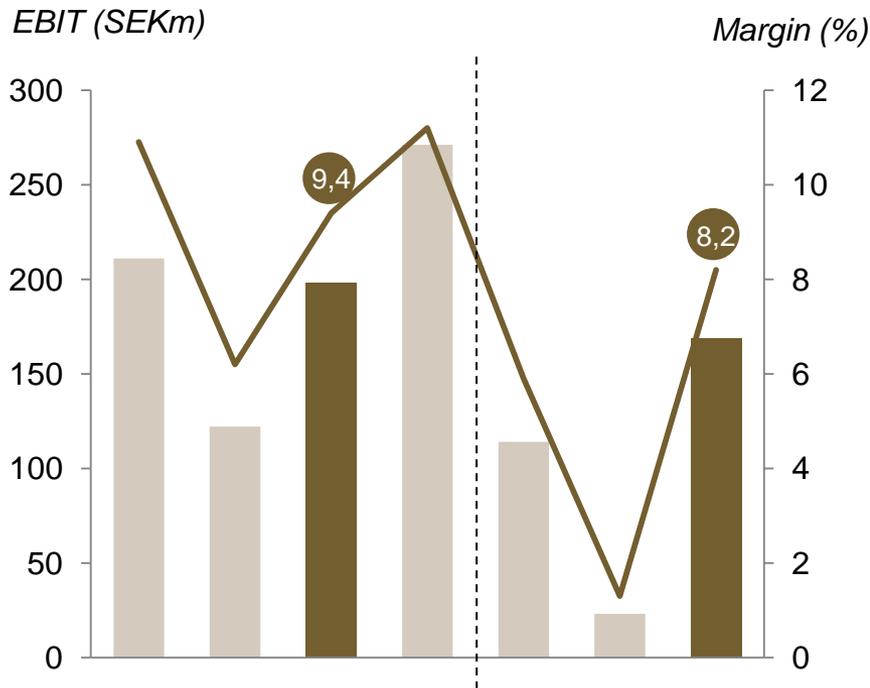
# Consumer Durables Major Appliances Asia/Pacific



(SEKm)	Q3 2011	Q3 2010
<b>Sales</b>	<b>1,981</b>	1,909
<b>EBIT</b>	<b>172</b>	241
<b>Margin</b>	<b>8.7</b>	12.6

- Lower sales and EBIT in Australia
  - Lower sales prices
  - Negative product mix
  - Lower capacity utilization
- Southeast Asia and China
  - Market-share gain in strong markets
  - Continued good profitability in Southeast Asia

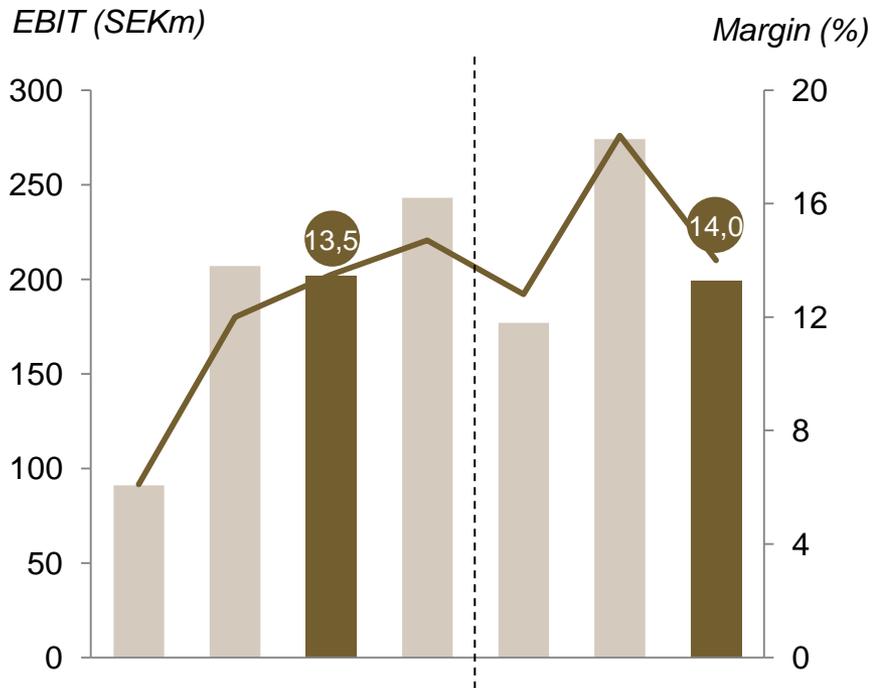
# Consumer Durables Small Appliances



(SEKm)	Q3 2011	Q3 2010
Sales	2,056	2,106
EBIT	169	198
Margin	8.2	9.4

- Higher sales in comparable currencies
- Lower EBIT
  - Higher product costs
  - Higher costs for raw materials
  - Higher volumes
  - Lower transportation costs

# Professional Products Food-service & Laundry products



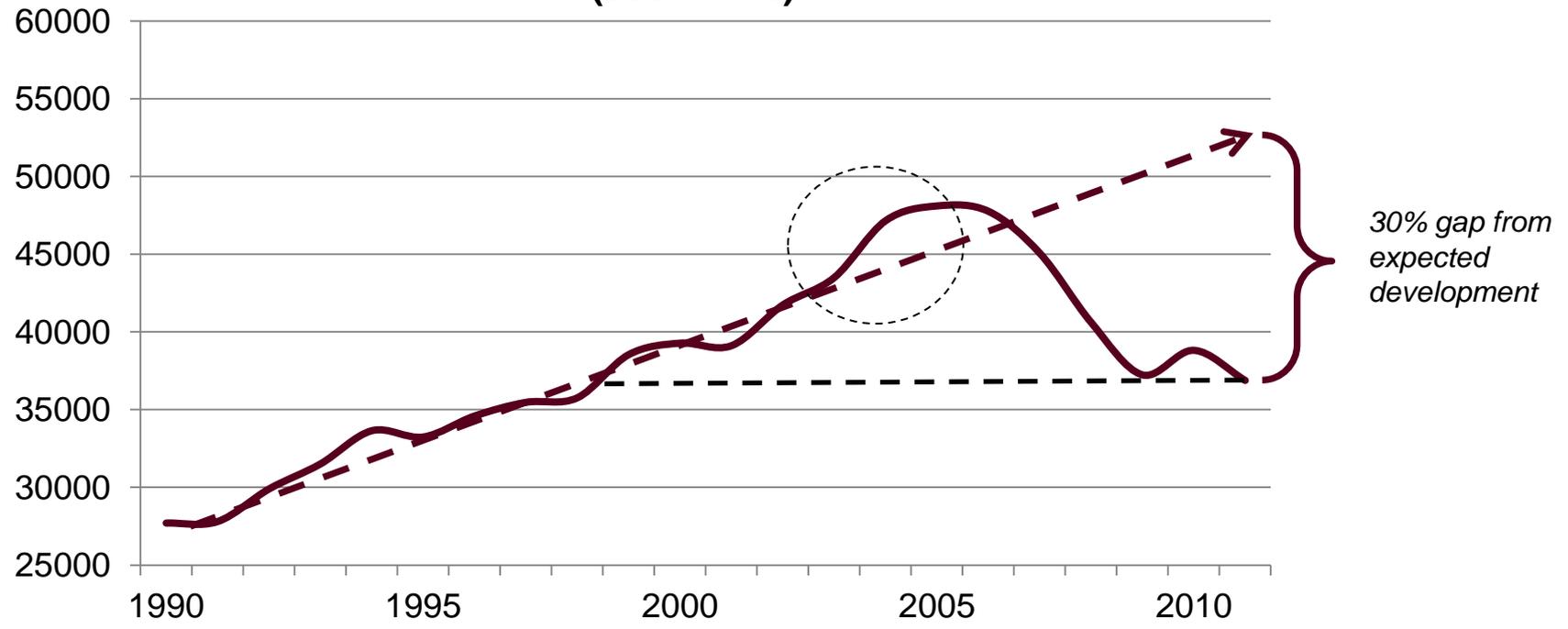
(SEKm)	Q3 2011	Q3 2010
Sales	1,426	1,501
EBIT*	199	202
Margin	14.0	13.5

- Lower sales and EBIT for Food-service products
  - Lower sales in Southern Europe
  - Higher raw-material costs
  - Price increases
  - Improved mix
- Solid results for Laundry products
  - Higher volumes
  - Price increases
  - Higher capacity utilization
  - Higher raw-material costs

# We need to adapt our capacity to structural changes in demand in mature markets



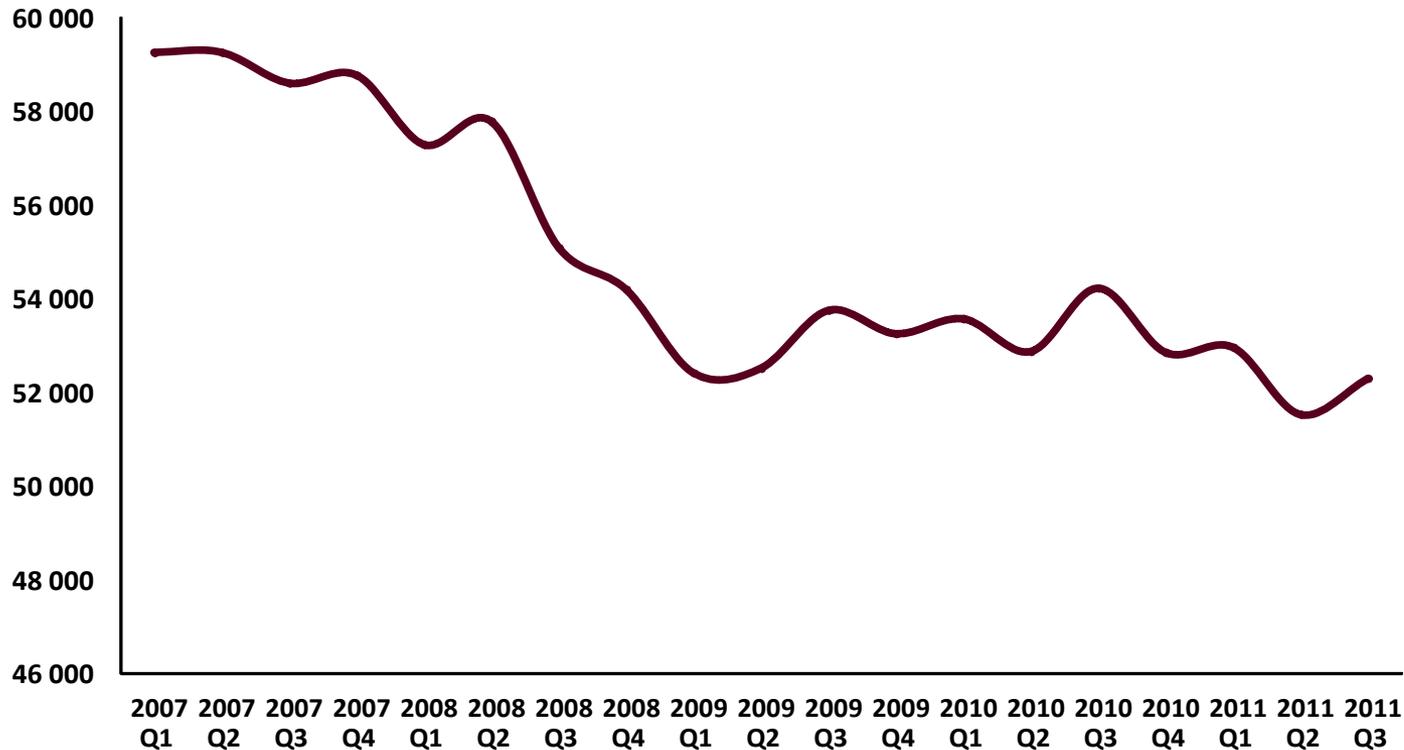
## Market volumes in North America (000' units)



# Strong decline during the last quarters in Western Europe and no recovery in the short term



*Seasonally adjusted volumes in Western Europe, annualized (000' units)*



# Q4 2011 y-o-y

In accordance with forward-looking statements  
in the CEO letter



Thinking of you  
**Electrolux**

	Q4 2011	Comment
Volumes	Negative	Lower volumes in mature markets will partly be offset by strong growth in emerging markets
Price	Slightly negative	Year-over-year negative with some sequential improvement
Mix	Slightly positive	Mix improvement from product launches offset by negative country/customer mix
Raw-material costs	Higher	~SEK 300m in Q4
Costs from Global Operations	SEK 125m	Approximately evenly distributed between quarters
Manufacturing footprint savings	SEK 125m	Approximately evenly distributed between quarters
Contribution from acquisitions	SEK 100m	Full impact from CTI and Olympic



*Thinking of you*  
**Electrolux**

# Factors affecting forward-looking statements



*Thinking of you*  
**Electrolux**

## **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.