



# 2011 Results, February 2, 2012

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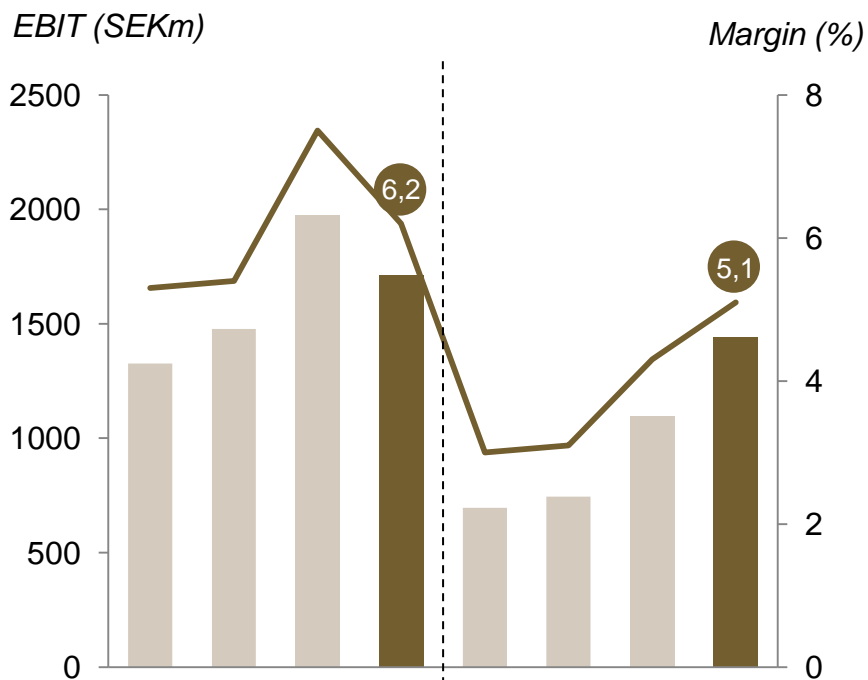
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# 2011 summary



- Underlying EBIT of SEK 4bn
  - Price pressure and raw-materials headwind
  - Weak demand in mature markets while emerging markets continued to grow
- Strong underlying cash flow
- Acquisitions of Olympic Group and CTI
- Adaptation of production capacity
- Reduction of overhead costs
- Investment in Marketing, R&D and Design organizations

# Q4 Highlights



(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	<b>28,369</b>	27,556
<b>EBIT*</b>	<b>616</b>	1,714
<b>Margin*</b>	<b>2.2</b>	6.2
<b>Underlying EBIT**</b>	<b>1,441</b>	1,714
<b>Underlying margin**</b>	<b>5.1</b>	6.2

\* Excluding items affecting comparability

\*\* Excluding items affecting comparability & non-recurring items

- Underlying EBIT amounted to SEK 1,441m
- Non-recurring items amounted to SEK 825m
  - Overhead reductions: SEK 635m
  - WEEE related costs: SEK 190m
- North America: Lower volumes and higher costs for raw materials and sourced products
- Rest of the Group showed solid results in a tough environment

# Non-recurring costs in Q4



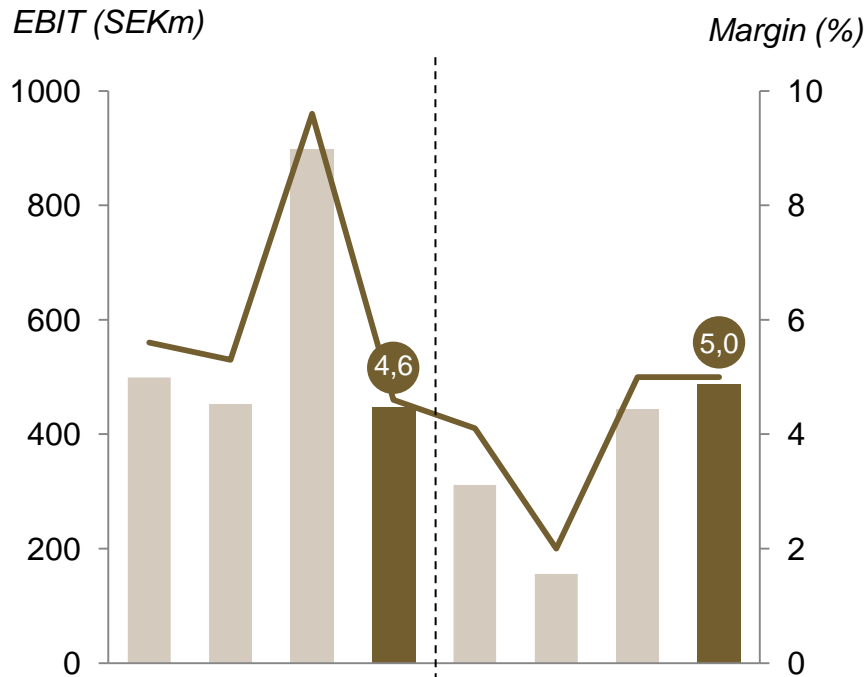
<i>Non-recurring items</i>	<i>Impact, SEKm</i>
<b>Reduction of staffing levels</b>	<b>-635</b>
Europe	-500
North America	-15
Asia/Pacific	-20
Small Appliances	-45
Common Group functions	-55
<b>WEEE related costs, Europe</b>	<b>-190</b>
<b>Total</b>	<b>-825</b>

# Q4 Cash flow



- Operating cash flow, excluding acquisitions and divestments, amounted to SEK 287m
  - Payment of CTI amounted to SEK –3,804m
- Lower operating income than in Q4, 2010
- Seasonally higher sales in the quarter
- Continued structural improvement of working capital

# Consumer Durables Major Appliances Europe, Middle East & Africa



(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	<b>9,749</b>	9,677
<b>EBIT</b>	<b>-202</b>	447
<b>Margin</b>	<b>-2.1</b>	4.6
<b>Underlying EBIT*</b>	<b>488</b>	447
<b>Underlying margin*</b>	<b>5.0</b>	4.6

\* Excluding non-recurring items

- Excluding acquisitions, lower sales as a result lower prices and negative country mix
- Improved underlying EBIT
  - Lower prices
  - Improved product mix
  - Negative country mix
  - Cost savings
  - Higher costs for raw materials
- Non-recurring items amounted to SEK 690m

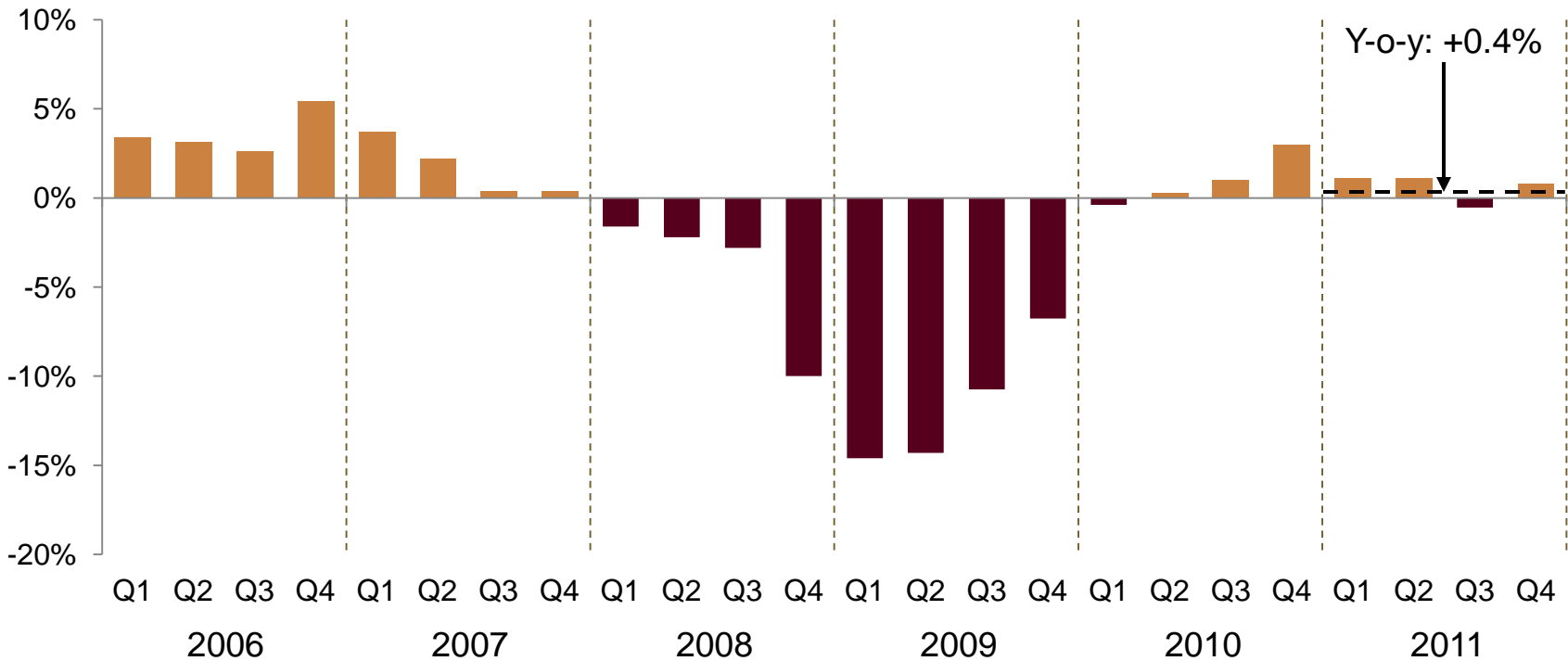


# Negative growth in Europe

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



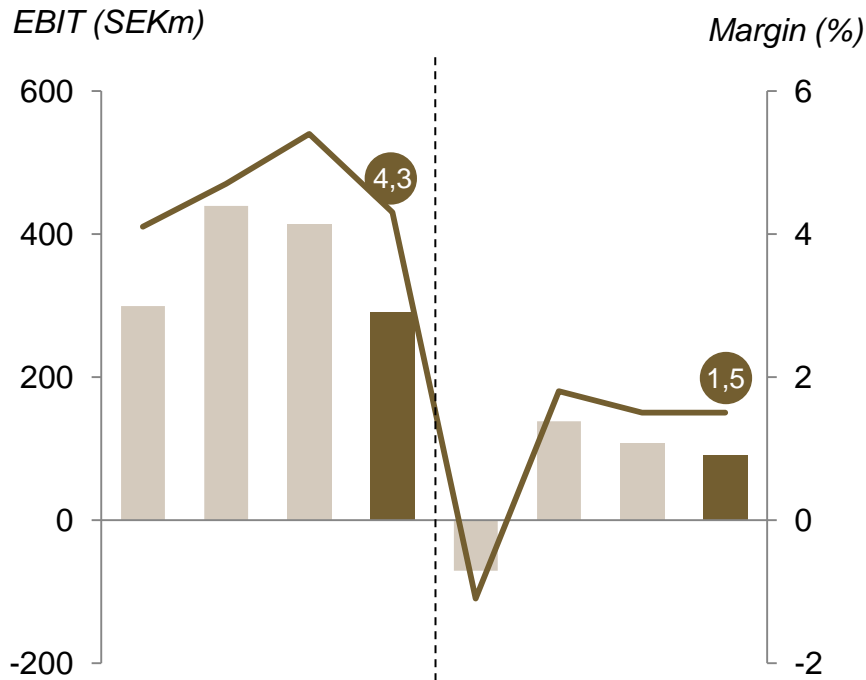
## Quarterly comparison y-o-y



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	-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	+9

# Consumer Durables Major Appliances North America



(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	6,271	6,752
<b>EBIT</b>	76	291
<b>Margin</b>	1.2	4.3
<b>Underlying EBIT*</b>	91	291
<b>Underlying margin*</b>	1.5	4.3

\* Excluding non-recurring items

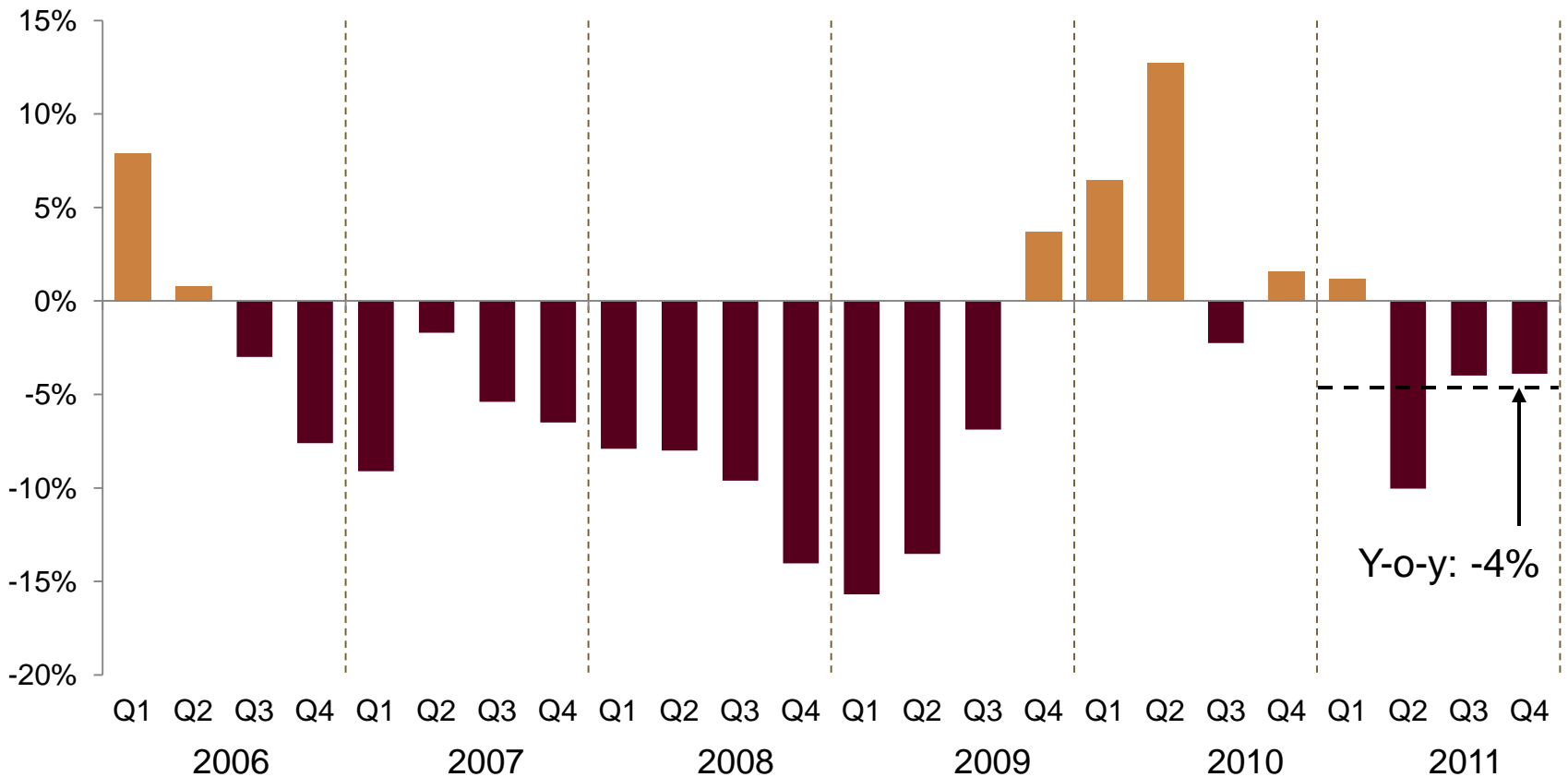
- Lower sales as a result of lower volumes
- Underlying EBIT declined to SEK 91m
  - Lower volumes – reduced capacity utilization
  - Higher raw-material costs
  - Higher transportation costs
  - Higher costs for sourced products
- Non-recurring items amounted to SEK 15m
- Price increases



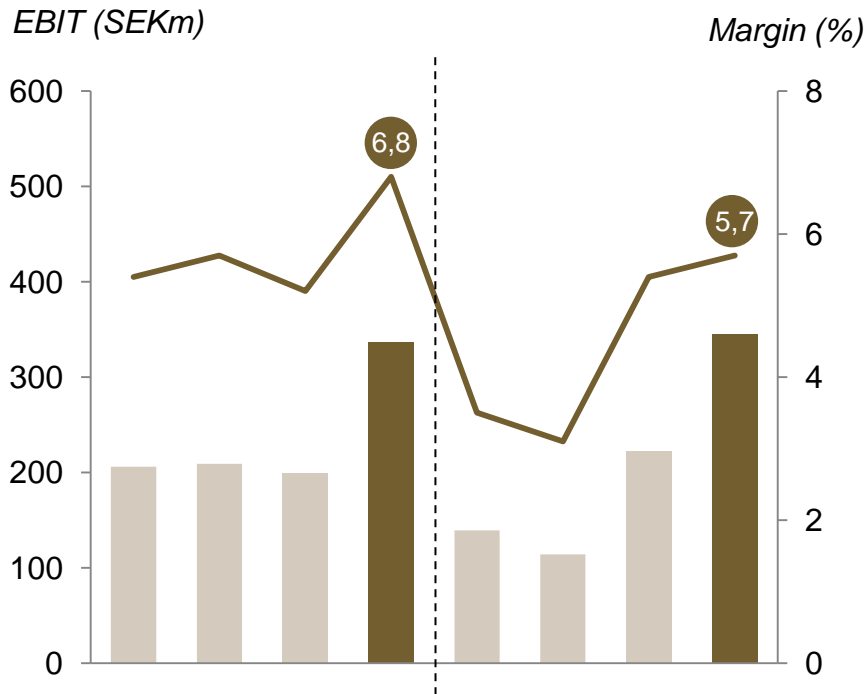
# Market in North America continued to decline in Q4



## Quarterly comparison y-o-y



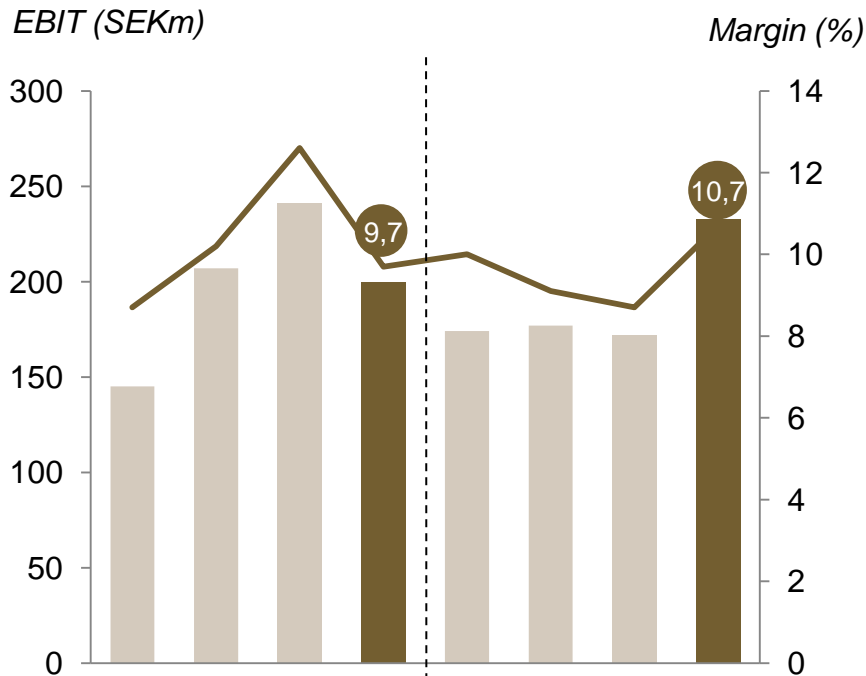
# Consumer Durables Major Appliances Latin America



(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	<b>6,003</b>	4,987
<b>EBIT</b>	<b>345</b>	337
<b>Margin</b>	<b>5.7</b>	6.8

- Market growth in Brazil and in the rest of Latin America
- EBIT improved to SEK 345m
  - Higher volumes
  - Negative customer mix due to consolidation of retailers

# Consumer Durables Major Appliances Asia/Pacific

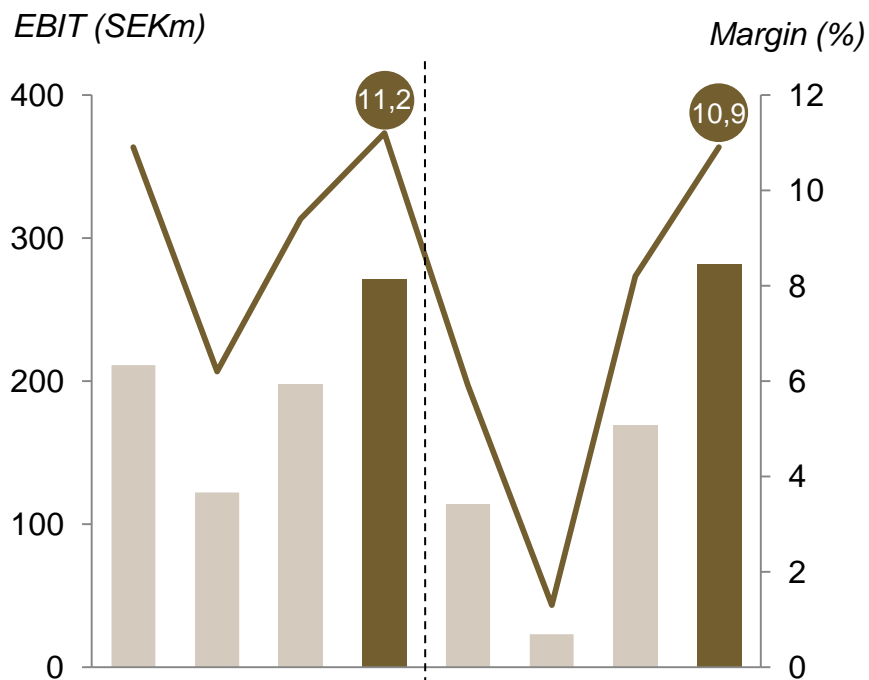


(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	2,180	2,069
<b>EBIT</b>	213	200
<b>Margin</b>	9.8	9.7
<b>Underlying EBIT*</b>	233	200
<b>Underlying margin*</b>	10.7	9.7

\* Excluding non-recurring items

- Lower sales and EBIT in Australia
  - Price pressure
  - Higher costs for raw materials
- Southeast Asia and China
  - Market-share gain in strong markets
  - Continued good profitability in Southeast Asia
- Costs for development of new products
- Non-recurring items amounted to SEK 20m

# Consumer Durables Small Appliances

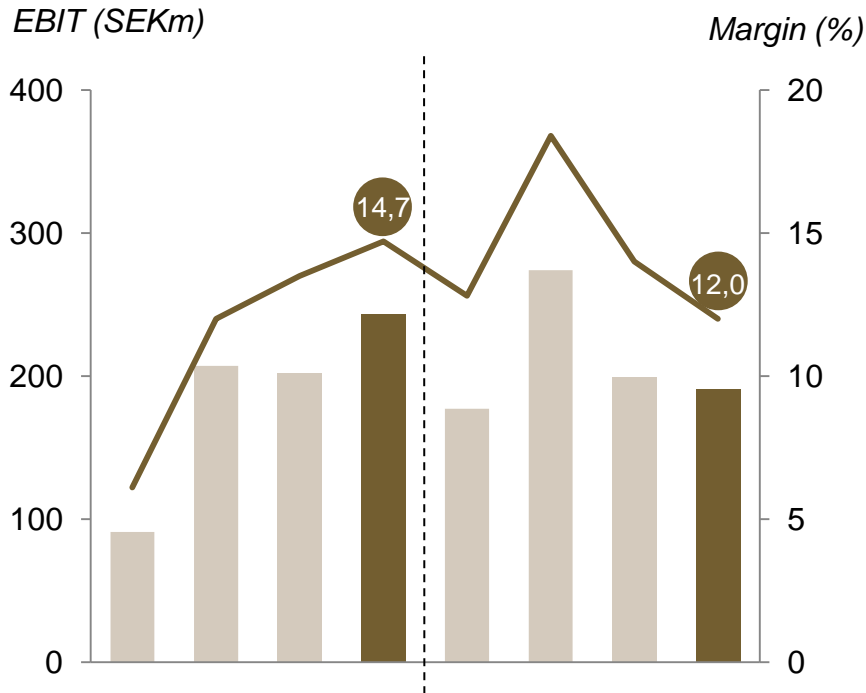


(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	<b>2,579</b>	2,414
<b>EBIT</b>	<b>237</b>	271
<b>Margin</b>	<b>9.2</b>	11.2
<b>Underlying EBIT*</b>	<b>282</b>	271
<b>Underlying margin*</b>	<b>10.9</b>	11.2

\* Excluding non-recurring items

- Higher sales
  - Higher volumes
  - Improved product mix
- Improved underlying EBIT
  - Higher volumes
  - Improved product mix
  - Lower prices
  - Increased costs for sourced products
- Non-recurring items amounted to SEK 45m

# Professional Products Food-service & Laundry products



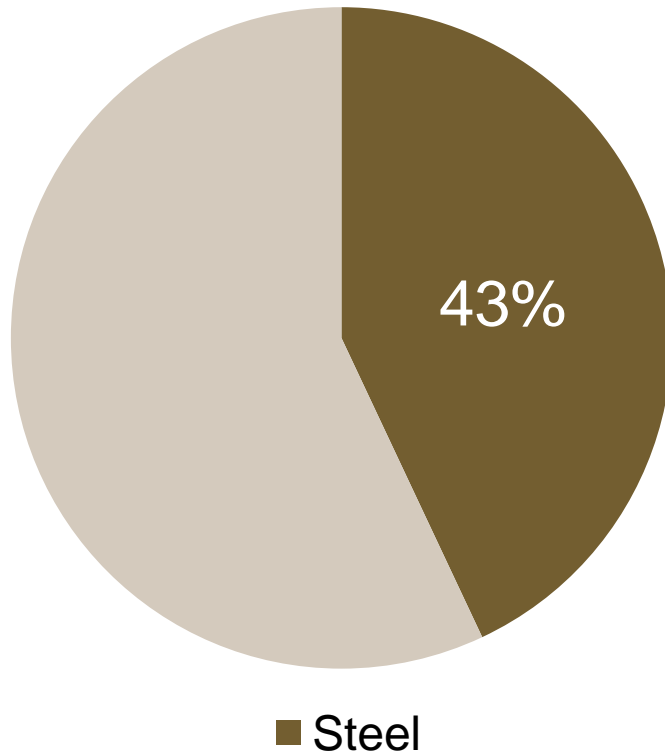
(SEKm)	Q4 2011	Q4 2010
<b>Sales</b>	<b>1,587</b>	1,657
<b>EBIT*</b>	<b>191</b>	243
<b>Margin</b>	<b>12.0</b>	14.7

- Lower sales and EBIT for Food-service products
  - Lower sales in Southern Europe
  - Higher raw-material costs
  - Price increases
- Lower EBIT for Laundry products
  - Lower volumes

# Steel: Costs in line with 2011, majority hedged

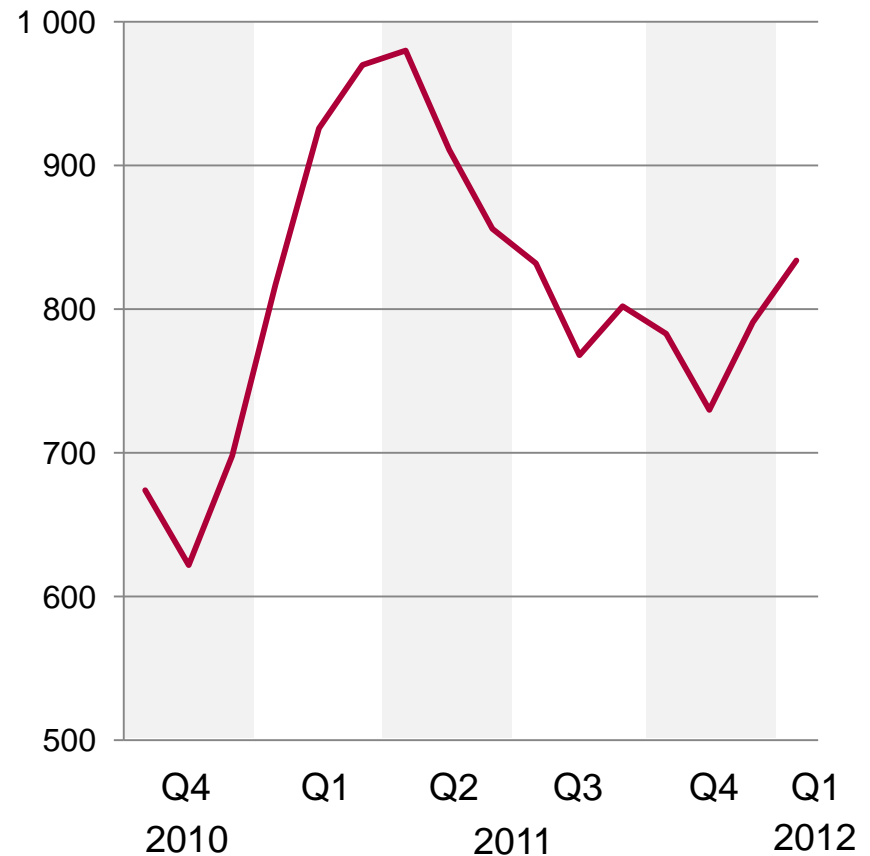


## Steel as share of total raw-material purchases (2011)



*In 2011, Electrolux purchased raw materials for approximately SEK 20 billion.*

## Market prices US CR USD/Short tonne

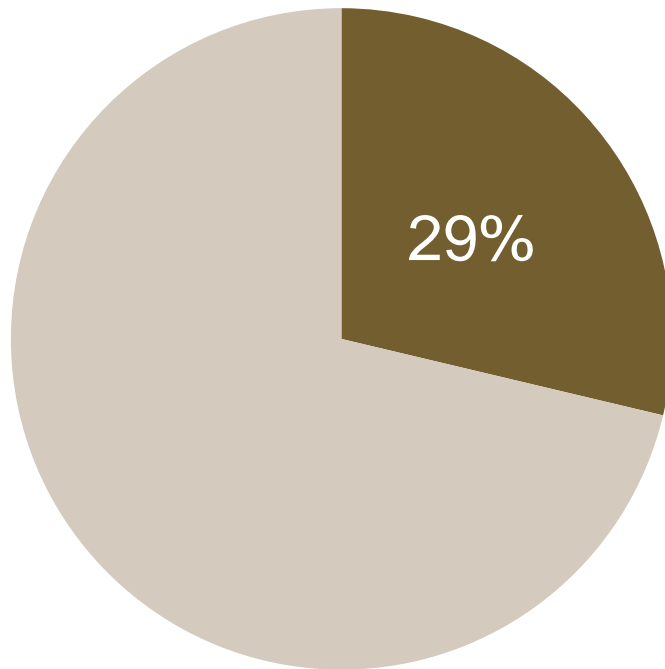




# Plastics: High level of uncertainty, slight headwind expected



## Plastics as share of total raw-material purchases (2011)



■ Plastics

*In 2011, Electrolux purchased raw materials for approximately SEK 20 billion.*

## Market prices for plastics, weighted average



# Q1 and FY 2012 y-o-y

*In accordance with forward-looking statements  
in the CEO letter and press release*



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	<b>Q1</b>	<b>2012FY</b>	<b>Comment</b>
Volumes	Slightly negative	Slightly positive	Q1; Tough comparables in NA. European market continued weak
Price/Mix	Positive	Positive	Q1; Positive price effect in NA
Raw-material costs	Negative SEK 100m	Negative SEK 0-500m	Steel: Flat Plastics: Some headwind
R&D and marketing	Higher	Higher	An intensive launch period in 2012 starting in Q1
Acquired units	SEK 50-100m	~SEK 400m	An uncertain Egyptian market compensated by a strong CTI
Cost savings	~SEK 200m	~SEK 1bn	Incl. global operations, overhead reduction and improved manufacturing
Transportation and sourced products	Higher	Higher	Q1; Cost increase for sourced products



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# Factors affecting forward-looking statements



## **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.