

# Consolidated results 2011



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**Electrolux**

Stockholm, February 2, 2012

## Highlights of the fourth quarter of 2011

- Net sales amounted to SEK 28,369m (27,556) and income for the period was SEK 221m (677), or SEK 0.77 (2.38) per share.
- Operating income amounted to SEK 1,441m (1,714), corresponding to a margin of 5.1% (6.2), excluding items affecting comparability and non-recurring items.
- Non-recurring costs amounted to SEK 825m, including SEK 635m for overhead reductions and WEEE related costs of SEK 190m for earlier years.
- Most of the Group's operations showed solid results in a challenging environment.
- Operations in North America were negatively impacted by lower volumes and higher costs for raw materials.

## Highlights of the full year of 2011

- Net sales increased by 1.9% in comparable currencies.
- Operating margin, excluding items affecting comparability and non-recurring costs, amounted to 3.9% (6.1).
- Price pressure and increased costs for raw materials had an adverse impact on operating income.
- Acquisitions of the appliance companies Olympic Group in Egypt and CTI in Chile.
- Efforts to reduce working capital have contributed to a solid balance sheet.
- The Board proposes a dividend for 2011 of SEK 6.50 (6.50) per share.
- The Board proposes a renewed AGM mandate to repurchase own shares.

## Contents

Net sales and income	2
Market overview	3
Business areas	3
Cash flow	6
Financial position	6
Structural changes	7
Dividend	9
Acquisitions	11, 12
Financial statements	14

SEKm	Q4 2011	Q4 2010	Change %	2011	2010	Change %
Net sales	28,369	27,556	3	101,598	106,326	-4
Operating income	512	952	-46	3,017	5,430	-44
Margin, %	1.8	3.5		3.0	5.1	
Income after financial items	328	925	-65	2,780	5,306	-48
Income for the period	221	677	-67	2,064	3,997	-48
Earnings per share, SEK <sup>1)</sup>	0.77	2.38		7.25	14.04	
Return on net assets, %	-	-		13.7	27.8	
<b>Excluding items affecting comparability</b>						
Items affecting comparability	-104	-762		-138	-1,064	
Operating income	616	1,714	-64	3,155	6,494	-51
Margin, %	2.2	6.2		3.1	6.1	
Income after financial items	432	1,687	-74	2,918	6,370	-54
Income for the period	286	1,204	-76	2,148	4,739	-55
Earnings per share, SEK <sup>1)</sup>	1.01	4.23		7.55	16.65	
Return on net assets, %	-	-		13.5	31.0	
<b>Non-recurring costs in fourth quarter of 2011</b>						
Operating income excluding non-recurring costs and items affecting comparability	1,441	1,714	-16	3,980	6,494	-39
Margin, %	5.1	6.2		3.9	6.1	

1) Basic, based on an average of 284.7 (284.7) million shares for the fourth quarter and 284.7 (284.6) million shares for the full year of 2011, excluding shares held by Electrolux. For earnings per share after dilution, see page 14. For definitions, see page 24.

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## Net sales and income

### Fourth quarter of 2011

Net sales for the Electrolux Group in the fourth quarter of 2011 amounted to SEK 28,369m (27,556). Net sales were unchanged in comparable currencies, excluding changes in Group structure. Changes in exchange rates had a negative impact on net sales. The acquisitions of Olympic Group in Egypt and CTI in Chile had a positive impact on net sales by 5.7%. Olympic Group's and CTI's sales for the fourth quarter are included in the Electrolux net sales.

#### Change in net sales

%	Q4 2011	2011
Changes in Group structure	5.7	1.7
Changes in exchange rates	-2.7	-6.3
Changes in volume/price/mix	0.0	0.2
<b>Total</b>	<b>3.0</b>	<b>-4.4</b>

### Operating income

Operating income for the fourth quarter amounted to SEK 512m (952) and income after financial items to SEK 328m (925). Lower sales prices and increased costs for raw materials had a negative impact on operating income for the quarter.

Operating income for the fourth quarter of 2011 includes non-recurring costs amounting to SEK 825m. To improve cost efficiency, Electrolux is implementing a number of cost-savings activities, see page 7. Activities to reduce staffing levels in all regions were initiated in the fourth quarter of 2011 and will continue in 2012. Non-recurring costs for these activities have been charged to operating income in the amount of SEK 635m, see table below.

In addition, non-recurring historical WEEE related costs in Hungary for the period of 2005 to 2007 amounting to SEK 190m have been charged to operating income, see table below.

The ongoing global initiatives to further reduce costs by capitalizing on the Group's shared global strength and scope are running according to plan. Costs for the global initiatives amounted to approximately SEK 100m in the fourth quarter and approximately SEK 500m for the full year of 2011.

#### Items affecting comparability

Operating income for the fourth quarter of 2011 includes items affecting comparability relating to restructuring measures within dish-washing manufacturing amounting to SEK -104m (-762), see table on page 14.

#### Operating income excluding non-recurring costs and items affecting comparability

Excluding items affecting comparability and the non-recurring costs described above, operating income for the fourth quarter of 2011 amounted to SEK 1,441m (1,714), corresponding to a margin of 5.1% (6.2).

### Effects of changes in exchange rates

Changes in exchange rates compared to the previous year, including translation, transaction effects and hedging contracts, had a positive impact on operating income for the fourth quarter of 2011, compared to the same period in the previous year, and amounted to approximately SEK 30m.

Transaction effects amounted to approximately SEK -35m. Results from hedging contracts had a positive impact of approximately SEK 85m on operating income, compared to 2010.

Compared to the previous year, translation of income statements in subsidiaries had an impact on operating income of approximately SEK -20m in the quarter.

### Financial net

Net financial items for the fourth quarter of 2011 amounted to SEK -184m, compared to SEK -27m for the corresponding period in the previous year. Net financial items have been impacted by higher interest rates and increased net debt. The acquisitions of Olympic Group and CTI have impacted net debt.

Income for the period amounted to SEK 221m (677), corresponding to SEK 0.77 (2.38) in earnings per share.

### Full year of 2011

Net sales for the Electrolux Group in 2011 amounted to SEK 101,598m, as against SEK 106,326m in the previous year. In comparable currencies and excluding sales from Olympic Group and CTI, net sales were in line with the previous year. Changes in exchange rates had a negative impact on net sales by -6.3%. Olympic Group and CTI had a positive impact on net sales by 1.7%. Olympic Group and CTI are included in Electrolux consolidated accounts as of September and October, respectively.

#### Non recurring costs in the fourth quarter and full year of 2011

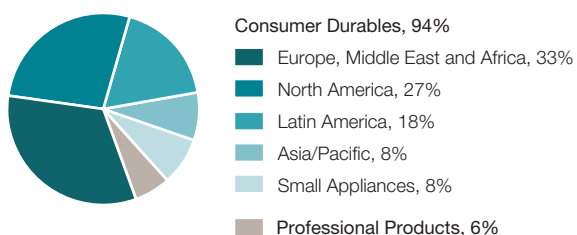
SEKm	2011
Reduction of staffing levels, Europe	500
WEEE related costs, Europe	190
Reduction of staffing levels, North America	15
Reduction of staffing levels, Asia/Pacific	20
Reduction of staffing levels, Small Appliances	45
Reduction of staffing levels, Group functions	55
<b>Total</b>	<b>825</b>

### Operating income

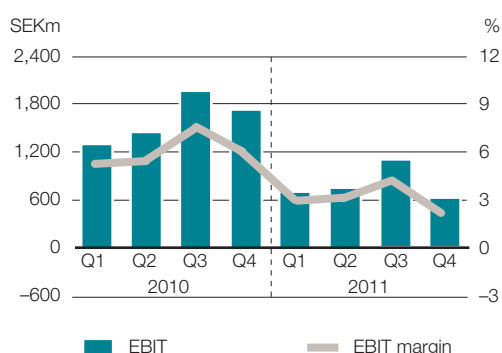
Operating income for 2011 decreased to SEK 3,017m (5,430) and income after financial items to SEK 2,780m (5,306). Weak demand in Electrolux main markets, lower sales prices and increased costs for raw materials had an adverse impact on operating income for 2011.

The contribution from the acquired companies Olympic Group and CTI including related acquisition adjustments was slightly negative.

Share of sales by business area for the full year of 2011



Operating income and margin\*



\* Excluding items affecting comparability.

tive. Expenses related to the acquisitions amounted to SEK 99m (24) in 2011.

#### Operating income excluding non-recurring costs and items affecting comparability

Operating income for 2011 includes items affecting comparability in the amount of SEK –138m (–1,064), referring to restructuring provisions, see table on page 14.

Excluding items affecting comparability and the non-recurring costs described above, operating income for 2011 amounted to SEK 3,980m (6,494), corresponding to a margin of 3.9% (6.1).

#### Effects of changes in exchange rates

Compared to the previous year, changes in exchange rates for the full year 2011 had a positive impact on operating income, including translation, transaction effects and hedging contracts and amounted to SEK 150m.

The effects of changes in exchange rates referred mainly to the operations in Europe, Latin America and Asia/Pacific. The strengthening of the Australian dollar and the Brazilian Real against the US dollar and weakening of the Euro against several other currencies have positively affected operating income. Transaction effects were positive and amounted to approximately SEK 400m. Results from hedging contracts had a positive impact of approximately SEK 75m on operating income, compared to the previous year.

Compared to the previous year, translation of income statements in subsidiaries had a negative impact on operating income of approximately SEK –325m for the full year of 2011, mainly due to the weakening of the Euro and the US dollar against the Swedish krona.

#### Financial net

Net financial items for the full year of 2011 declined to SEK –237m, compared to SEK –124m in the previous year. Net financial items have been impacted by higher interest rates and increased net debt.

Income for the period amounted to SEK 2,064m (3,997), corresponding to SEK 7.25 (14.04) in earnings per share.

## Market overview

Demand for appliances in the European market increased somewhat during the fourth quarter of 2011, while demand in North America declined by 4%.

The overall European market for appliances increased by 1%, driven by increased demand in Eastern Europe. Demand in Western Europe declined by 3%. Demand declined in for Electrolux important markets in Southern Europe. Eastern Europe increased by 9%.

For the year as a whole, demand in the European market was in line with the previous year, while demand in the North American

market declined by 4%.

The market in Brazil increased in the quarter and for the year as a whole in comparison with the same period of last year. Most other markets in Latin America also improved.

Demand for appliances in Europe in 2012 is expected to be flat or decline by up to two percent. Demand for appliances in North America is expected to be flat or increase by up to two percent.

## Business areas

Changes in net sales and operating income by business area in comparable currencies are given on page 18.

### Major Appliances Europe, Middle East and Africa

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	9,749	9,677	34,029	36,596
Operating income excluding non-recurring costs	488	447	1,399	2,297
Operating income	–202	447	709	2,297
Operating margin, %	–2.1	4.6	2.1	6.3

#### Non-recurring costs in the fourth quarter of 2011

SEKm	Q4 2011	2011
Reduction of staffing levels	500	500
WEEE related costs	190	190

#### Industry shipments of core appliances in Europe

Units, year-over-year, %	Q4 2011	2011
Western Europe	–3	–3
Eastern Europe (excluding Turkey)	9	9
<b>Total Europe</b>	<b>1</b>	<b>0</b>

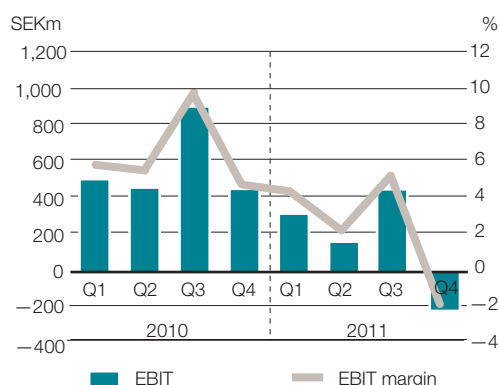
Demand for appliances in Europe increased by 1% in the fourth quarter of 2011 compared to the corresponding quarter in the preceding year. The Western European market declined by 3%, following deterioration in several major Southern European markets. Demand in Germany, France and Scandinavia rose slightly during the quarter. Demand in Eastern Europe rose by 9%, mainly as a result of increased demand in Russia.

Demand for the overall European market was unchanged for the year as a whole.

The acquired company Olympic Group in Egypt contributed to increased sales during the quarter. Excluding acquisitions, the Group's sales in Europe declined mainly because of lower sales prices and a negative country mix due to higher sales in Eastern Europe and lower sales in Western Europe.

Operating income declined during the fourth quarter and full-year 2011. Non-recurring costs in the total amount of SEK 690m for measures to reduce overheads and historical WEEE related costs in

Major Appliances Europe, Middle East and Africa



Industry shipments of core appliances in Europe\*



Hungary for the period of 2005 to 2007 had a negative impact on the result in the fourth quarter. Excluding these non-recurring costs operating income for the quarter improved somewhat over the previous year.

Operating income for the fourth quarter and full year has been impacted by lower sales prices and a negative country mix. Another factor that adversely affected income was higher costs for raw materials. Meanwhile, the product mix improved as a result of the successful launch of new premium products. The contribution from Olympic Group including related acquisition adjustments was slightly negative during the quarter. Read more about the acquisition of Olympic Group on pages 7 and 12.

### Major Appliances North America

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	6,271	6,752	27,665	30,969
Operating income excluding non-recurring costs	91	291	265	1,442
Operating income	76	291	250	1,442
Operating margin, %	1.2	4.3	0.9	4.7

#### Non-recurring costs in the fourth quarter of 2011

SEKm	Q4 2011	2011
Reduction of staffing levels	15	15

#### Industry shipments of appliances in the US

Units, year-over-year, %	Q4 2011	2011
Core appliances	-4	-4
Major appliances	-3	-1

Market demand in North America for core appliances declined by 4% during the fourth quarter and the year as a whole. Major appliances, including room air-conditioners and microwave ovens, declined by 3% in the quarter and 1% for the year as a whole. Room air-conditioners showed strong growth during the year, rising by almost 20%.

Group sales in North America decreased during the fourth quarter compared to the year-earlier period due to lower sales volumes.

Operating income for the fourth quarter and full year declined compared to the year-earlier period, mainly due to lower sales volumes and reduced capacity utilization in production. In addition, increased costs for raw materials, sourced products and transportation had a negative impact on operating income.

Measures to reduce overheads amounting to SEK 15m were charged to operating income for the quarter.

### Major Appliances Latin America

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	6,003	4,987	17,810	16,260
Operating income	345	337	820	951
Operating margin, %	5.7	6.8	4.6	5.8

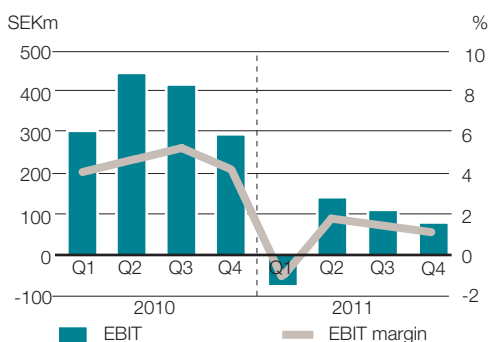
Market demand for appliances in Brazil is estimated to have increased in the fourth quarter of 2011 compared to the corresponding year-earlier period. Demand in December was positively impacted by tax reductions on domestically-produced appliances. This government-incentive program is expected to continue in the first quarter of 2012. Several other Latin American markets showed continued favorable growth during the quarter.

The Group's sales rose as a result of higher sales volumes and Electrolux continued to capture market shares in Brazil and in other Latin American markets, the latter of which accounted for about 22% of consolidated sales in Latin America during 2011. Sales have been positively impacted by the acquisition of the Chilean appliances manufacturer CTI.

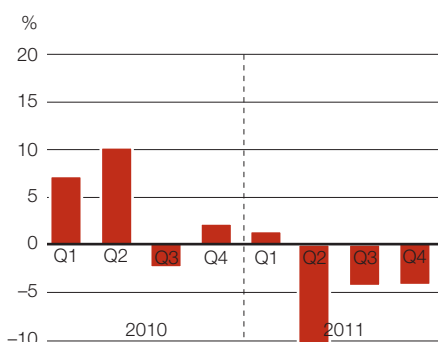
Operating income improved in the fourth quarter compared to the corresponding period in the preceding year, primarily as a result of higher sales volumes.

Operating income declined for the full-year of 2011 on the basis of a weaker customer mix and increased costs for raw materials. The consolidation that has taken place among several retailers in the Brazilian market had an adverse impact on the customer mix, although to a lesser extent during the second half of 2011. The contribution from the acquisition of CTI including related acquisition adjustments was slightly positive during the quarter. Read more about the acquisition of CTI on pages 7 and 11.

Major Appliances North America



Industry shipments of core appliances in the US\*



\* Units, year-over-year, %.

Major Appliances Latin America



## Major Appliances Asia/Pacific

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	2,180	2,069	7,852	7,679
Operating income excluding non-recurring costs	233	200	756	793
Operating income	213	200	736	793
Operating margin, %	9.8	9.7	9.4	10.3

### Non-recurring costs in the fourth quarter of 2011

SEKm	Q4 2011	2011
Reduction of staffing levels	20	20

### Australia and New Zealand

Market demand for appliances in Australia is estimated to have increased in the fourth quarter of 2011 compared to the corresponding period in the preceding year. Group sales declined during the fourth quarter and in the full year, primarily as a result of price pressure in the market. The strong Australian dollar enabled producers that import products to reduce their prices.

Operating income declined for the quarter and for full-year 2011, mainly as a consequence of lower sales prices and increased costs for raw materials and sourced products.

### Southeast Asia and China

Market demand in Southeast Asia and China is estimated to have continued to grow in the fourth quarter of 2011 compared to the corresponding year-earlier period. Electrolux sales in markets in Southeast Asia and China continued to display strong growth and Electrolux market shares are estimated to have grown. The operations in Southeast Asia continued to demonstrate favorable profitability throughout 2011.

Costs for development of new products and measures to reduce overheads amounting to SEK 20m had a negative impact on income for the whole region.

## Small Appliances

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	2,579	2,414	8,359	8,422
Operating income excluding non-recurring costs	282	271	588	802
Operating income	237	271	543	802
Operating margin, %	9.2	11.2	6.5	9.5

### Non-recurring costs in the fourth quarter of 2011

SEKm	Q4 2011	2011
Reduction of staffing levels	45	45

Market demand for vacuum cleaners in Europe and North America declined in the fourth quarter of 2011.

Group sales increased during the fourth quarter compared to the corresponding period in the preceding year, primarily as a result of higher sales volumes and an improved product mix. The acquisition of CTI's subsidiary Somela, a small domestic appliances manufacturer in Chile, made a positive contribution to sales.

Operating income for the fourth quarter, excluding non-recurring costs, improved primarily due to higher volumes and a positive product mix. Increased sales of premium vacuum cleaners in Europe and the Airspeed product range in North America as well as strong sales growth for cordless handheld vacuum cleaners in most regions had a positive impact on the product mix. Sales volumes of small domestic appliances grew strongly in Europe and Latin America during the quarter. Lower sales prices and increased costs for sourced products continued to have a negative effect on operating income for the quarter.

Operating income decreased for the full year of 2011, primarily due to higher costs for sourced products and lower sales prices.

Measures to reduce overheads amounting to SEK 45m were charged to income for the quarter.

## Professional Products

SEKm	Q4 2011	Q4 2010	2011	2010
Net sales	1,587	1,657	5,882	6,389
Operating income	191	243	841	743
Operating margin, %	12.0	14.7	14.3	11.6

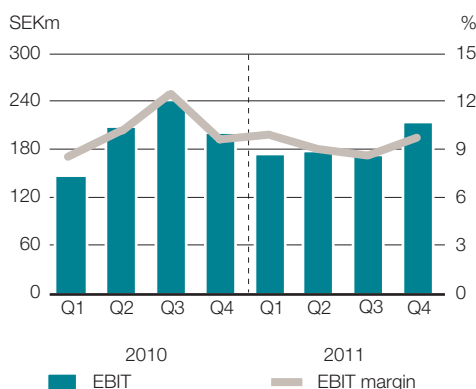
Market demand in Europe for food-service equipment is estimated to have declined in the fourth quarter of 2011 compared to the corresponding period in the preceding year.

For the fourth quarter and full year, operating income for food-service equipment deteriorated due to lower sales volumes primarily in Southern Europe, where Electrolux commands a strong position, and increased raw-material costs. Price increases largely offset the higher costs for raw materials.

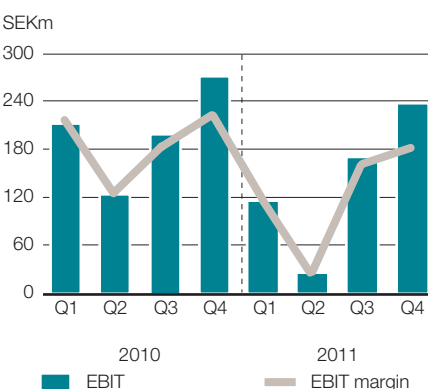
Market demand for professional laundry equipment during the fourth quarter is estimated to have declined somewhat in the Group's major markets in Western Europe and consolidated sales volumes fell slightly. Replacement products are accounting for a large share of the current demand in the market at the same time as demand for spare parts is rising.

Operating income for professional laundry equipment in the fourth quarter declined compared to the corresponding period in the preceding year as a result of reduced sales volumes and lower capacity utilization in production. Operating income for full-year 2011 improved however, compared to 2010 as a result of price increases and higher sales volumes, which offset the rising costs of raw materials.

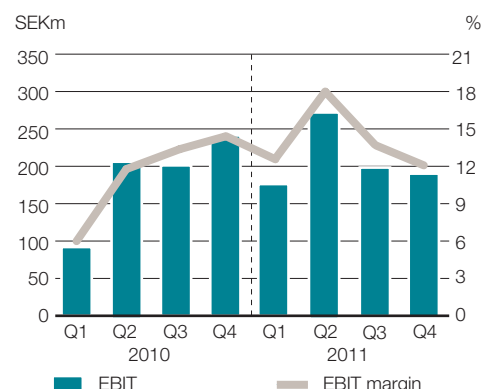
Major Appliances Asia/Pacific



Small Appliances



Professional Products



## Cash flow

Cash flow from operations and investments in the fourth quarter of 2011 amounted to SEK –2,926m (133).

The cash flow from acquisitions and divestments, mainly referring to the payment of the shares in CTI, amounted to SEK –3,213m in the quarter. Excluding cash flow from acquisitions, cash flow from operations and investments amounted to SEK 287m (133).

The trend for the cash flow and working capital in the fourth quarter of 2011 reflects a normal seasonal pattern with increased sales and declining inventories. The Group's ongoing structural efforts to reduce tied-up capital has contributed to the strong underlying cash flow in the quarter.

Outlays for the ongoing restructuring and cost-cutting programs amounted to approximately SEK –110m in the quarter.

Cash flow from operations and investments in the full-year of 2011 amounted to SEK –4,650m (3,206). The acquisitions of CTI and Olympic Group have impacted cash flow by SEK –5,855m. Excluding acquisitions, cash flow from operations and investments amounted to SEK 906m (3,199). The decline referred mainly to the deterioration in income.

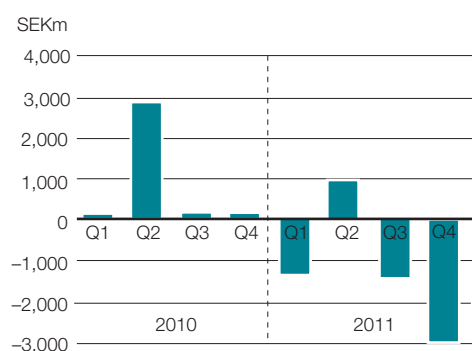
Outlays for the ongoing restructuring and cost-cutting programs amounted to approximately SEK –660m in 2011.

Investments during the fourth quarter and the full year of 2011 referred mainly to investments within manufacturing for new products and production capacity.

### Cash flow

SEKm	Q4 2011	Q4 2010	2011	2010
Cash flow from operations, excluding change in operating assets and liabilities	1,247	1,854	4,283	7,741
Change in operating assets and liabilities	463	–55	1,116	–61
Investments	–1,423	–1,666	–4,493	–4,481
<b>Cash flow before acquisitions and divestments</b>	<b>287</b>	<b>133</b>	<b>906</b>	<b>3,199</b>
Acquisitions and divestments	–3,213	–	–5,556	7
<b>Cash flow from operations and investments</b>	<b>–2,926</b>	<b>133</b>	<b>–4,650</b>	<b>3,206</b>
Dividend	–	–	–1,850	–1,138
Sale of shares	–	–	–	18
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>–2,926</b>	<b>133</b>	<b>–6,500</b>	<b>2,086</b>

Cash flow from operations and investments



## Financial position

Total equity as of December 31, 2011, amounted to SEK 20,644m (20,613), which corresponds to SEK 72.52 (72.41) per share.

Net borrowings	Dec. 31, 2011	Dec. 31, 2010
SEKm		
Borrowings	14,206	12,096
Liquid funds	7,839	12,805
<b>Net borrowings</b>	<b>6,367</b>	<b>–709</b>
Net debt/equity ratio	0.31	–0.03
<b>Equity</b>	<b>20,644</b>	<b>20,613</b>
Equity per share, SEK	72.52	72.41
Return on equity, %	10.4	20.6
Return on equity, excluding items affecting comparability, %	10.8	24.4
Equity/assets ratio, %	30.1	33.9

### Net borrowings

Net borrowings amounted to SEK 6,367m (–709). The net debt/equity ratio was 0.31 (–0.03). The equity/assets ratio was 30.1% (33.9).

Electrolux has issued in total SEK 3,500m in bond loans under the EMTN program during 2011. In the quarter a bilateral loan of SEK 1,000m, maturing 2013, was prolonged to 2017.

During 2011, SEK 1,161m of long-term borrowings were amortized, whereof SEK 250m in the fourth quarter. Long-term borrowings as of December 31, 2011, including long-term borrowings with maturities within 12 months, amounted to SEK 11,669m with average maturities of 3.0 years, compared to SEK 9,590m and 3.3 years at the end of 2010. During 2012 and 2013, long-term borrowings in the amount of approximately SEK 4,100m will mature.

Liquid funds as of December 31, 2011, amounted to SEK 7,839m (12,805), excluding short-term back-up facilities.

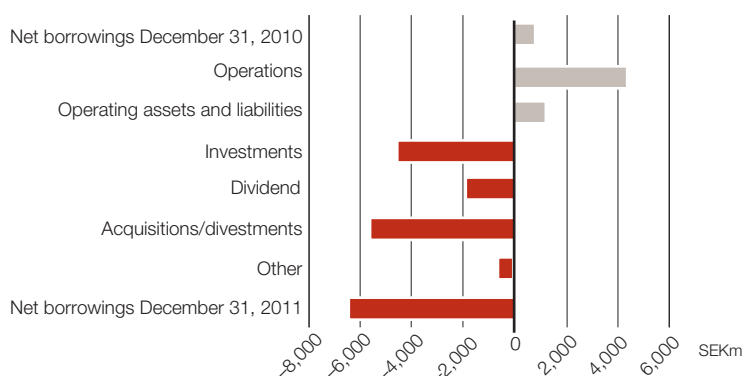
During the fourth quarter of 2011, Electrolux replaced an existing EUR 500m revolving credit facility maturing in June 2012. The new committed EUR 500m multi-currency revolving credit facility has a five-year maturity, with extension options for up to two more years. Electrolux also has an additional unused committed credit facility of SEK 3,400m maturing 2017.

### Net assets and working capital

Average net assets for the period amounted to SEK 22,091m (19,545). Net assets as of December 31, 2011, amounted to SEK 27,011m (19,904). Net assets have been impacted by the acquisitions of Olympic Group and CTI by SEK 7,401m, see page 17. Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets amounted to SEK 23,354m (20,940), corresponding to 23.0% (19.7) of net sales.

Working capital as of December 31, 2011, amounted to SEK –5,180m (–5,902), corresponding to –4.6% (–5.4) of annualized net sales. The return on net assets was 13.7% (27.8), and 13.5% (31.0), excluding items affecting comparability.

Cash flow and change in net borrowings



## Structural changes

### Actions to improve operational excellence

At Electrolux Capital Markets Day in November 2011, management presented the Group's strategy to create sustainable economic value by; capitalizing on profitable growth opportunities, speeding up the product-innovation cycle and continuing to improve operational excellence.

To improve operational excellence, a number of cost-savings activities are being implemented.

Electrolux has been tangibly affected by the decline in consumer confidence in the mature markets. To adapt the manufacturing capacity, further restructuring measures within manufacturing will be implemented which are estimated to generate annual savings of SEK 1.6 billion as of 2016. Costs for these measures amount to approximately SEK 3.5 billion.

At the same time, overhead costs will be reduced by approximately SEK 680m. Activities to reduce staffing levels in all regions were initiated in the fourth quarter of 2011 and will continue in 2012. Costs for these actions amounting to SEK 635m were charged against operating income in the fourth quarter, see table on page 2.

Activities to capitalize on the Group's shared global strength and scope to escalate the pace in unlocking global synergies, increase modularization and optimize purchasing are being implemented. Costs for these activities amount to a total of about SEK 1 billion in 2011 and 2012. The annual savings are estimated to approximately SEK 3 billion as of 2015.

In total, these actions to improve operational excellence will provide annual savings of SEK 5.3 billion. Costs for these activities amount to SEK 5.1 billion.

### Improving efficiency within dish-washing production

To optimize and improve global efficiency and capacity utilization within the Group's dish-washing manufacturing, one production line of dishwashers at the manufacturing facility in Kinston, North Carolina in the US will be discontinued. The production will be transferred to one of the Group's production facilities in Europe. The costs for these activities of SEK 104m were charged against operating income in the fourth quarter of 2011, within items affecting comparability.

The plant in Kinston will continue to produce dishwashers for the North American market.

## Acquisitions

### Acquisition of Chilean appliances company CTI

During the fourth quarter, Electrolux completed the acquisition of the Chilean appliances company Compañía Tecno Industrial S.A. (CTI) and its subsidiaries. In Chile, CTI group manufactures refrigerators, stoves, washing machines and heaters, sold under the brands Fensa and Mademsa, and is the leading manufacturer with a volume market share of 36%. CTI group also holds a leading position in Argentina with the GAFA brand and in Chile, Somela is the largest supplier of small domestic appliances. CTI group has 2,200 employees and two manufacturing sites in Chile and one site in Argentina.

The acquisition is part of Electrolux strategy to grow in emerging markets. The acquisition makes Electrolux the largest supplier of appliances in Chile and Argentina, and further enhances Electrolux position as a leading appliances company in the fast-growing Latin American markets.

CTI group is included in the consolidated accounts of Electrolux as of October 1, 2011, within the business areas Major Appliances Latin America and Small Appliances.

The total consideration paid for the acquired shares in CTI group is SEK 3,804m, which was paid in cash in October 2011.

The preliminary purchase price allocation concludes that goodwill amounts to a value of SEK 2,104m.

Expenses related to the acquisition amounted to SEK 56m in 2011 and has been reported as administrative expenses in Electrolux income statement of 2011.

The acquisition is described in more detail on page 11.

### Acquisition of Olympic Group

During the third quarter, Electrolux completed the acquisition of the Egyptian major appliances manufacturer Olympic Group for Financial Investments S.A.E. (Olympic Group). Olympic Group is a leading manufacturer of appliances in the Middle East with a volume market share in Egypt of approximately 30%. The company has 7,100 employees and manufactures washing machines, refrigerators, cookers and water heaters. The acquisition is part of Electrolux strategy to grow in emerging markets like Middle East and Africa.

Olympic Group is included in the consolidated accounts of Electrolux as of September 1, 2011, within the business area Major Appliances Europe, Middle East and Africa.

The total consideration for the acquired shares in Olympic Group is SEK 2,556m, which was paid in cash at the beginning of September 2011.

The purchase price allocation concludes that goodwill amounts to a value of SEK 1,495m.

Expenses related to the acquisition amounted to SEK 24m in 2010 and to SEK 43m in 2011 and have been reported as administrative expenses in Electrolux income statement.

The acquisition is described in more detail on page 12.

### Relocation of production, items affecting comparability, restructuring measures 2007–2013

Plant closures and cutbacks				Closed	Authorized closures			Estimated closure
Torsvik	Sweden	Compact appliances	(Q1 2007)	L'Assomption	Canada	Cookers	(Q4 2013)	
Nuremberg	Germany	Dishwashers, washing machines and dryers	(Q1 2007)	investment			Starting	
Adelaide	Australia	Dishwashers	(Q2 2007)	Porcia	Italy	Washing machines	(Q4 2010)	
Fredericia	Denmark	Cookers	(Q4 2007)	Memphis	USA	Cookers	(Q2 2012)	
Adelaide	Australia	Washing machines	(Q1 2008)					
Spennymoor	UK	Cookers	(Q4 2008)					
Changsha	China	Refrigerators	(Q1 2009)					
Scandicci	Italy	Refrigerators	(Q2 2009)					
St. Petersburg	Russia	Washing machines	(Q2 2010)					
Motala	Sweden	Cookers	(Q1 2011)					
Webster City	USA	Washing machines	(Q1 2011)					
Alcalá	Spain	Washing machines	(Q1 2011)					

In 2004, Electrolux initiated a restructuring program to make the Group's production competitive in the long term. This program is in its final phase and has so far yielded annual savings of about SEK 3bn. About 35% of manufacturing in high-cost areas have been moved and more than 60% of the Group's household appliances are currently manufactured in low-cost areas that are near rapidly-growing markets for household appliances. In 2011 additional measures were presented to further adapt capacity in mature markets to lower demand. The total cost for the whole program will be approximately SEK 12bn and savings will amount to approximately SEK 5bn annually as of 2016. Restructuring provisions and write-downs are reported as items affecting comparability within operating income.

## Changes in Group Management

### Stefano Marzano appointed Chief Design Officer

Stefano Marzano has been appointed Chief Design Officer, a new role at Electrolux. As of January 2012, Stefano Marzano is head of a new Group staff function gathering all the design-related competencies in the Group. This enables Electrolux to increase the relevance and speed of innovative product solutions taken to market. Stefano Marzano has had a long career at Royal Philips Electronics, for the past 20 years as Chief Design Officer.

In January 2011, Electrolux appointed Jan Brockmann and MaryKay Kopf to new roles within Group Management as Chief Technology Officer and Chief Marketing Officer, respectively. With the appointment of Stefano Marzano, the formal structure referred to as the Innovation Triangle is completed. This is to get R&D, Marketing and Design functions in synergy during the entire product creation process with an even clearer focus on customers and consumers.

### Lars Worsøe Petersen is new Head of Human Resources

Lars Worsøe Petersen is since October new Head of Group Staff Human Resources and Organizational Development. He succeeded Carina Malmgren Heander who is Head of a new Professional-Domestic business unit. Lars Worsøe Petersen has been Head of Group Staff Human Resources at Husqvarna AB.

### CFO Jonas Samuelson is new Head of Major Appliances Europe, Middle East and Africa

Since October 2011, Jonas Samuelson is new Head of Major Appliances Europe, Middle East and Africa. Mr. Samuelson's previous position was Chief Financial Officer and Head of Global Operations Major Appliances. He succeeded Enderson Guimarães, who has left Electrolux.

### Tomas Eliasson appointed new CFO

Tomas Eliasson has been appointed new Chief Financial Officer. Tomas Eliasson will assume his new position in mid February. Mr. Eliasson is currently Chief Financial Officer and Executive Vice-President of ASSA ABLOY AB.

### Jack Truong new Head of Major Appliances North America

Jack Truong is since August new Head of Major Appliances North America. Jack Truong has previously held several senior management positions with the 3M Company in the US, Europe and Asia. Mr. Truong succeeded Kevin Scott, who has left Electrolux.

## Other items

### Asbestos litigation in the US

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made identical allegations against other defendants who are not part of the Electrolux Group.

As of December 31, 2011, the Group had a total of 2,714 (2,800) cases pending, representing approximately 2,843 (approximately 3,050) plaintiffs. During the fourth quarter of 2011, 294 new cases with 294 plaintiffs were filed and 261 pending cases with approximately 380 plaintiffs were resolved.

Additional lawsuits may be filed against Electrolux in the future. It is not possible to predict either the number of future claims or the number of plaintiffs that any future claims may represent. In addition, the outcome of asbestos claims is inherently uncertain and always difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of claims will not have a material adverse effect on its business or on results of operations in the future.

### Conversion of shares

According to AB Electrolux articles of association, owners of Class A shares have the right to have such shares converted to Class B shares. In 2011, at the request of shareholders, 850,400 Class A shares were converted to Class B shares.

Conversion of shares reduces the total number of votes in the company. After the conversion, the total number of votes amounts to 38,283,483.

The total number of registered shares in the company amounts to 308,920,308 shares, of which 8,212,725 are Class A shares and 300,707,583 are Class B shares, see table on page 15.

On December 31, 2011, Electrolux owned 24,255,085 shares of Class B, corresponding to 7.9% of all outstanding shares.

## Press releases 2011

January 20	Electrolux further strengthens organization for Innovation and Marketing	July 10	Electrolux acquires Olympic Group
<b>February 2</b>	<b>Consolidated Results 2010 and CEO Keith McLoughlin's comments</b>	<b>July 19</b>	<b>Interim report January-June and CEO Keith McLoughlin's comments</b>
February 17	Keith McLoughlin and Ulrika Saxon proposed new Board members of AB Electrolux	August 19	Electrolux confirms discussions with Sigdo Koppers
March 18	Electrolux named one of the World's Most Ethical Companies 2011	August 22	Electrolux acquires Chilean appliance company CTI
March 31	Electrolux Annual General Meeting 2011	September 9	Dow Jones Sustainability World Index names Electrolux Durable Household Products sector leader
April 1	Bulletin from AB Electrolux Annual General Meeting 2011	September 9	Electrolux has completed the acquisition of Olympic Group
April 5	Change in reporting for Electrolux business areas	September 16	Electrolux issues bond loan
<b>April 27</b>	<b>Interim report January-March and CEO Keith McLoughlin's comments</b>	September 28	Jonas Samuelson appointed Head of Major Appliances Europe and Tomas Eliasson appointed CFO
May 9	Electrolux raises the bar in sustainability reporting	September 29	Lars Worsøe Petersen appointed Head of Human Resources and Organizational Development and Carina Malmgren Heander will lead a new business unit
June 8	Electrolux issues bond loan	October 14	Electrolux has closed the cash tender offers of CTI and Somela
June 13	Electrolux to implement price increases in Europe	<b>October 28</b>	<b>Interim report January-September and CEO Keith McLoughlin's comments</b>
July 1	Jack Truong appointed Head of Major Appliances North America		



## Annual General Meeting 2012

The Annual General Meeting of AB Electrolux will be held on Tuesday, March 27, 2012, at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden.

### Proposed dividend

The Board of Directors proposes a dividend for 2011 of SEK 6.50 (6.50) per share, for a total dividend payment of approximately SEK 1,850m (1,850). The proposed dividend corresponds to approximately 85% (40) of income for the period, excluding items affecting comparability. Friday, March 30, 2012, is proposed as record date for the dividend.

The Group's goal is for the dividend to correspond to at least 30% of income for the period, excluding items affecting comparability. Historically, Electrolux dividend rate has been considerably higher than 30%. Electrolux also has a long tradition of high total distribution to shareholders that includes repurchases and redemptions of shares as well as dividends.

### Proposal for resolution on acquisition of own shares

Electrolux has previously, on the basis of authorizations by the Annual General Meetings, acquired own shares. The purpose of the repurchase programs has been to adapt the Group's capital structure, thus contributing to increased shareholder value and to use these shares to finance potential company acquisitions and as a hedge for the company's share-related incentive programs.

The Board of Directors makes the assessment that it continues to be advantageous for the company to be able to adapt the company's capital structure, thereby contributing to increased shareholder value, and to continue to be able to use repurchased shares on account of potential company acquisitions and the company's share-related incentive programs.

The Board of Directors proposes the Annual General Meeting 2012 to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company and that the company may acquire as a maximum so many B-shares that, following each acquisition, the company holds at a maximum 10% of all shares issued by the company.

As of February 1, 2012, Electrolux holds 24,255,085 B-shares in Electrolux, corresponding to 7.9% of the total number of shares in the company.

### Nomination Committee

In accordance with decision by the Annual General Meeting, Electrolux Nomination Committee shall consist of six members. The members should be one representative of each of the four largest shareholders in terms of voting rights that wish to participate in the committee, together with the Chairman of the Electrolux Board and one additional Board member.

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2011. Petra Hedengran, Investor AB, is the Chairman of the committee. The other owner representatives are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur funds, and Ingrid Bonde, AMF. The committee will also include Marcus Wallenberg and Peggy Bruzelius, Chairman and Deputy Chairman, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2012 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board and remuneration for Board members and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

Shareholders who wish to submit proposals to the Nomination Committee should send an e-mail to [nominationcommittee@electrolux.com](mailto:nominationcommittee@electrolux.com).

## Press releases 2011–2012

November 15	Electrolux hosts Capital Markets Day
December 13	Electrolux signs revolving credit facility
December 20	Electrolux specifies overhead cost savings
January 10	Electrolux appoints Stefano Marzano to the new role of Chief Design Officer

## Risks and uncertainty factors

Electrolux ability to increase profitability and shareholder value is based on three elements: Innovative products, strong brands and cost-efficient operations. Realizing this potential requires effective and controlled risk management.

Electrolux monitors and minimizes key risks in a structured and proactive manner. Capacity has previously been adjusted in response to weak demand, working capital has undergone structural improvements, the focus on price has been intensified and the purchasing process for raw materials has been further streamlined.

Demand declined in the Group's major markets during 2011, while demand increased in emerging markets as Asia/Pacific. Some of Electrolux markets experienced strong price pressure during the year. Market prices of raw materials rose in the early part of 2011.

The Group's development is strongly affected by external factors, of which the most important in terms of managing risks currently include:

### Fluctuations in demand

Demand for appliances is affected by the general business cycle. Deterioration in these conditions may lead to lower sales volumes as well as to a shift of demand to low-price products, which generally have lower margins. Utilization of production capacity may also decline in the short term. The global economic trend is an uncertainty factor in terms of the development in the future.

### Price competition

Most of the markets in which Electrolux operates feature strong price competition. This is particularly severe in the low-price segments and in product categories with large over-capacity. The Group's strategy is based on innovative products and brand-building, and is aimed, among other things, at minimizing and offsetting price competition for its products. Price pressure still prevails in the Group's major markets.

### Changes in prices for raw materials and components

The Group's exposure to raw materials comprises mainly of steel, plastics, copper and aluminum. Electrolux uses bilateral contracts to manage risks related to steel prices. Some raw materials are purchased at spot prices. There is considerable uncertainty regarding trends for the prices of raw materials.

### Exchange-rate exposure

The global presence of Electrolux, with manufacturing and sales in a number of countries, offsets exchange-rate effects to a certain degree. The principal exchange-rate effect arises from transaction flows; when purchasing and/or production are/is carried out in one currency and sales occur in another currency. The Group utilizes currency derivatives to hedge a portion of the currency exposure that arises. The effect of currency hedging is usually that currency movements that occur today have a delayed effect. The major currencies for the Electrolux Group are the USD, EUR, AUD, BRL and GBP. In general, income for Electrolux benefits from a weak USD and EUR and from a strong AUD, BRL and GBP.

Furthermore, Electrolux is affected by translation effects when the Group's sales and operating income are translated into SEK. The translation exposure is primarily related to currencies in those regions where the Group's most substantial operations exist, that is, EUR and USD.

### Exposure to customers and suppliers

Electrolux has a comprehensive process for evaluating credits and tracking the financial situation of retailers. Management of credits as well as responsibility and authority for approving credit decisions are regulated by the Group's credit policy. Credit insurance is used in specific cases to reduce credit risks.

The weak trend in the major Electrolux markets in 2011 impacted the Group's retailers who experienced difficult trading conditions but this did not result in any increases in credit losses for Electrolux.

### Access to financing

The Group's loan-maturity profile for 2012 and 2013 represents maturities of approximately SEK 4,100m in long-term borrowings.

In addition, Electrolux has two unutilized back-up credit facilities. In 2011, Electrolux replaced an existing committed revolving credit facility with a new EUR 500m multi-currency revolving credit facility maturing in 2016, with extension options for up to two more years. Electrolux also has an additional committed credit facility of SEK 3,400m maturing 2017.

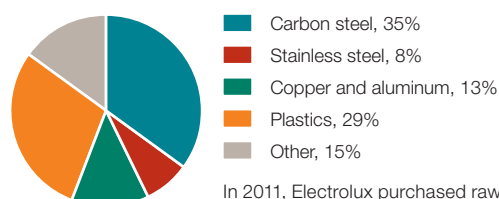
Risks, risk management and risk exposure are described in more detail in the Annual Report 2010, [www.electrolux.com/annual-report2010](http://www.electrolux.com/annual-report2010).

Sensitivity analysis year-end 2011

Risk	Change	Pre-tax earnings impact, SEKm
<b>Raw materials</b>		
Steel	10%	+/-900
Plastics	10%	+/-600
<b>Currencies<sup>1)</sup> and interest rates</b>		
USD/SEK	-10%	+810
EUR/SEK	-10%	+410
BRL/SEK	-10%	-300
AUD/SEK	-10%	-260
GBP/SEK	-10%	-180
Interest rate	1 percentage point	+/-60

1) Include translation and transaction effects.

Raw-materials exposure 2011



In 2011, Electrolux purchased raw materials for approximately SEK 20bn. Purchases of steel accounted for the largest cost.

## Compañía Tecno Industrial S.A. (CTI)

On October 14, 2011, Electrolux acquired 7,005,564,670 shares in the Chilean appliances company Compañía Tecno Industrial S.A. (CTI) through a cash tender offer on the Santiago Stock Exchange. The shares acquired represented 97.79% of the voting equity interest in CTI and Electrolux thereby achieved control of the company. Electrolux also acquired 127,909,232 shares, representing 96.90% of the voting equity interest in the subsidiary Somela S.A., through a cash tender offer on the Santiago Stock Exchange.

The cash tender offer was preceded by an agreement with Sigdo Koppers and certain associated parties to buy their shares in the tender offer, corresponding to approximately 64% of the outstanding shares in CTI.

The total consideration paid for the acquisition of the shares in CTI group was SEK 3,804m and was paid in cash in October 2011.

CTI group is included in the consolidated accounts of Electrolux as of October 2011 and is included in the business areas Major Appliances Latin America and Small Appliances. The income statement of Electrolux includes three months of sales and income from CTI group.

The preliminary purchase-price allocation concludes that goodwill amounts to a value of SEK 2,104m. This value may be adjusted when the purchase-price allocation is finalized for, e.g., appraisal of buildings and land. The goodwill is attributable mainly to synergies in product development, production and marketing of household appliances and from gaining market presence in the Southern cone of Latin America that is expected to grow economically going forward. None of the goodwill is expected to be deductible for tax purposes. The goodwill amount has been tested for impairment as a part of the Major Appliances Latin America and Small Appliances business areas.

The purchase agreement with Sigdo Koppers includes the right for Electrolux to be indemnified for certain environmental claims and tax claims, amongst others.

The non-controlling interest in CTI group at acquisition is 2.36% and amounts to a value of SEK 41m. The value of the non-controlling interest is calculated based on the non-controlling interest's proportionate share of CTI group's net assets. Subsequent to the acquisition, Electrolux has acquired a further 22,143,092 shares in CTI group from minority shareholders for a total of SEK 17m.

Expenses related to the acquisition amounted to SEK 56m in 2011 and has been reported as administrative expenses in Electrolux income statement.

### Consideration

SEKm	2011
Cash paid	3,804
<b>Total</b>	<b>3,804</b>

### Recognized amounts of identifiable assets acquired and liabilities assumed at fair value

SEKm	
Property, plant and equipment	382
Intangible assets	1,012
Inventories	734
Trade receivables	763
Other current and non-current assets	310
Accounts payable	-189
Other operating liabilities	-886
<b>Total identifiable net assets acquired</b>	<b>2,126</b>
Cash and cash equivalents	114
Borrowings	-499
<b>Assumed net debt</b>	<b>-385</b>
<b>Non-controlling interests</b>	<b>-41</b>
<b>Goodwill</b>	<b>2,104</b>
<b>Total</b>	<b>3,804</b>

CTI's and Somela's shares are listed on the Santiago Stock Exchange in Chile.

CTI group's net sales and operating income are not disclosed, as its financial statements have not yet been published.

### CTI group

In Chile, CTI group manufactures refrigerators, stoves, washing machines and heaters, sold under the brands Fensa and Mademsa, and is the leading manufacturer with a volume market share of 36%. CTI group also holds a leading position in Argentina with the GAFA brand and in Chile, Somela is the largest supplier of small domestic appliances.

CTI group has 2,200 employees and two manufacturing sites in Chile and one site in Argentina. In 2010, the company had sales of SEK 2.9bn (CLP 203bn).

This acquisition is a part of Electrolux strategy to grow in emerging markets and provides significant revenue and growth synergies. The acquisition makes Electrolux the largest supplier of appliances in Chile and Argentina, and further enhances Electrolux position as a leading appliance company in the fast-growing Latin American markets.

## Olympic Group

On September 8, 2011, Electrolux closed its tender offer for the shares in Olympic Group and acquired in total 59,074,122 shares representing 98.33% of the shares and votes in the company. The tender offer was launched in July 2011, following an agreement with Paradise Capital to acquire its 52% majority stake in Olympic Group. The total consideration for 98.33% of the shares in Olympic Group is SEK 2,556m, which was paid in cash at the beginning of September 2011.

Olympic Group is included in the consolidated accounts of Electrolux as of September 1, 2011, within the business area Major Appliances Europe, Middle East and Africa.

Following closing of the tender offer, Electrolux has sold Olympic Group's shares in the companies Namaa and B-Tech and some additional assets to Paradise Capital for a total of SEK 522m, since they were not part of Olympic Group's core business. According to the agreement with Paradise Capital additional assets will be sold in 2012.

Olympic Group also intends to launch a tender offer for the shares held by minority shareholders in Olympic Group's subsidiary Delta Industrial-Ideal S.A.E. at a price of EGP 21.4 per share. The estimated total consideration for these shares will not exceed SEK 116m. The actual consideration to be paid will depend on the number of tendered shares.

Upon the completion of the above transactions, the total net consideration paid for Electrolux 98.33% interest in Olympic Group will be approximately SEK 2,135m.

Expenses related to the acquisition amounted to SEK 24m in 2010 and to SEK 43m in 2011 and have been reported as administrative expenses in Electrolux income statement.

The purchase price allocation concludes that goodwill amounts to a value of SEK 1,495m. The goodwill is attributable mainly to synergies in product development, production and sales and from gaining market presence in the North African region that is expected to grow economically going forward. None of the goodwill is expected to be deductible for tax purposes. The goodwill amount was tested for impairment as a part of the Major Appliances Europe, Middle East and Africa business areas.

Olympic Group has entered into a seven-year management agreement with Paradise Capital to ensure continued technical and management support to Olympic Group against a yearly fee of 2.5% of Olympic Group's net sales. The fee is reported within administrative expenses.

The purchase agreement with Paradise Capital includes customary indemnity provisions which entitles Electrolux to be compensated under circumstances detailed in the agreement.

The non-controlling interest in Olympic Group is 6.1%, including the shares in Olympic Group's subsidiaries currently held by minority shareholders, and amounted to a value of SEK 69m in the acquisition balance. The value of the non-controlling interest is

calculated based on the non-controlling interest's proportionate share of Olympic Group's total net assets.

The following table summarizes the consideration paid for Olympic Group and the fair value of the assets acquired and liabilities assumed recognized at the acquisition date, as well as the value of the non-controlling interest in Olympic Group.

### Consideration

SEKm	2011
Cash paid	2,556
<b>Total</b>	<b>2,556</b>

### Recognized amounts of identifiable assets acquired and liabilities assumed at fair value

SEKm	
Property, plant and equipment	555
Intangible assets	516
Inventories	577
Trade receivables	195
Other current and non-current assets	236
Accounts payable	-223
Other operating liabilities	-574
Current assets classified as held for sale	537
<b>Total identifiable net assets acquired</b>	<b>1,819</b>
Cash and cash equivalents	34
Borrowings	-723
<b>Assumed net debt</b>	<b>-689</b>
<b>Non-controlling interests</b>	<b>-69</b>
<b>Goodwill</b>	<b>1,495</b>
<b>Total</b>	<b>2,556</b>

Olympic Group's shares are listed on the Egyptian Stock Exchange. Electrolux intends to delist Olympic Group's shares no later than in the first quarter of 2012.

Olympic Group's net sales and operating income are not disclosed, as its financial statements have not yet been published.

## Olympic Group

Olympic Group is a leading manufacturer of appliances in the Middle East with a volume market share in Egypt of approximately 30%. The company has 7,100 employees and manufactures washing machines, refrigerators, cookers and water heaters.

The acquisition is part of Electrolux strategy to grow in emerging markets like Middle East and Africa. Electrolux and Olympic Group have developed a successful commercial partnership in the region for almost 30 years, which today covers technology, supply of components, distribution and brand licensing.

Olympic Group, excluding the two companies Namaa and B-Tech, which are not part of the core business and have been divested after the acquisition, had sales of about EGP 2.3bn (SEK 2.5bn) in 2010, and a recurring operating profit of about EGP 265m (SEK 280m). This corresponds to a margin of 11% and a net profit of about EGP 190m (SEK 200m).

*The exchange rate used for translation from EGP to SEK is as of June 30, 2011.*

## Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the full year of 2011 amounted to SEK 6,660m (5,989), of which SEK 3,266m (3,396) referred to sales to Group companies and SEK 3,394m (2,593) to external customers. Income after financial items was SEK 2,904m (3,633), including dividends from subsidiaries in the amount of SEK 2,150m (2,560). Income for the period amounted to SEK 2,745m (3,353).

Capital expenditure in tangible and intangible assets was SEK 483m (562). Liquid funds at the end of the period amounted to SEK 2,206m, as against SEK 5,266m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 15,938m, as against SEK 15,089m at the start of the year. Dividend payment to shareholders for 2010 amounted to SEK 1,850m.

The income statement and balance sheet for the Parent Company are presented on page 23.

Stockholm, February 2, 2012

Keith McLoughlin  
President and CEO

### New pension accounting standards as of 2013

Employee Benefits (Amendments)<sup>1)</sup>. IAS 19 prescribes the accounting and disclosure by employers for employee benefits. The amended standard requires an entity to regularly determine the present value of defined benefit obligations and the fair value of plan assets and to recognize the net of those values in the financial statements as a net defined benefit liability. The amended standard removes the option to use the corridor approach (see Note 1 in the Annual Report 2010 for a description) presently used by Electrolux. The standard also requires an entity to apply the discount rate on the net defined benefit liability (asset) in order to calculate the net interest expense (income). The standard thereby removes the use of an expected return on the plan assets. All changes in the net defined benefit liability (asset) will be recognized as they occur, as follows: (i) service cost and net interest in profit or loss; and (ii) remeasurement in other comprehensive income.

The standard will have the following preliminary impact on the presentation of Electrolux financial results and position: All historical actuarial gains or losses will be included in the measurement of the net defined benefit liability. This will initially increase the liabilities of Electrolux and reduce the equity (after deduction for deferred tax). Future changes in the net defined benefit liability from changes in, e.g., discount rate will be presented in other comprehensive income. Electrolux will classify the defined benefit liability as a financial liability and present the net interest on the net liability in the financial net. The removal of the expected return will worsen the net interest with the difference between the expected return and the discount rate applied on the plan assets. For 2011, the changes would have increased the net defined benefit liability by approximately SEK 3,500m and reduced retained earnings by SEK 2,800m.

The modified net interest calculation and the removal of the amortization of the actuarial losses would have decreased the income for the period by approximately SEK 200m. The standard will be applied as of Q1, 2013 with full retrospective application.

1) This amendment has not been adopted by the EU at the writing date.

## Accounting and valuation principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2010.

The parent company reports Group contributions in the income statement as of the fourth quarter of 2011. The income statement for 2010 has been restated.

*This report has not been audited.*

## Consolidated income statement

SEKm	Q4 2011	Q4 2010	2011	2010
<b>Net sales</b>	<b>28,369</b>	<b>27,556</b>	<b>101,598</b>	<b>106,326</b>
Cost of goods sold	-23,213	-21,572	-82,840	-82,697
<b>Gross operating income</b>	<b>5,156</b>	<b>5,984</b>	<b>18,758</b>	<b>23,629</b>
Selling expenses	-2,938	-2,912	-10,821	-11,698
Administrative expenses	-1,622	-1,348	-4,972	-5,428
Other operating income/expenses	20	-10	190	-9
Items affecting comparability	-104	-762	-138	-1,064
<b>Operating income</b>	<b>512</b>	<b>952</b>	<b>3,017</b>	<b>5,430</b>
Margin, %	1.8	3.5	3.0	5.1
Financial items, net	-184	-27	-237	-124
<b>Income after financial items</b>	<b>328</b>	<b>925</b>	<b>2,780</b>	<b>5,306</b>
Margin, %	1.2	3.4	2.7	5.0
Taxes	-107	-248	-716	-1,309
<b>Income for the period</b>	<b>221</b>	<b>677</b>	<b>2,064</b>	<b>3,997</b>
Available for sale instruments	-13	-63	-91	77
Cash-flow hedges	-28	23	111	-117
Exchange differences on translation of foreign operations	-168	190	-223	-1,108
Income tax relating to other comprehensive income	-6	33	-104	-30
<b>Other comprehensive income, net of tax</b>	<b>-215</b>	<b>183</b>	<b>-307</b>	<b>-1,178</b>
<b>Total comprehensive income for the period</b>	<b>6</b>	<b>860</b>	<b>1,757</b>	<b>2,819</b>
Income for the period attributable to:				
Equity holders of the Parent Company	220	677	2,064	3,997
Non-controlling interests	1	-	-	-
<b>Total</b>	<b>221</b>	<b>677</b>	<b>2,064</b>	<b>3,997</b>
Total comprehensive income for the period attributable to:				
Equity holders of the Parent Company	5	860	1,752	2,819
Non-controlling interests	1	-	5	-
<b>Total</b>	<b>6</b>	<b>860</b>	<b>1,757</b>	<b>2,819</b>
Earnings per share, SEK	0.77	2.38	7.25	14.04
Diluted, SEK	0.77	2.36	7.21	13.97
Number of shares after buy-backs, million	284.7	284.7	284.7	284.7
Average number of shares after buy-backs, million	284.7	284.7	284.7	284.6
Diluted, million	286.0	286.4	286.1	286.0

## Items affecting comparability

SEKm	Q4 2011	Q4 2010	2011	2010
<b>Restructuring provisions and write-downs</b>				
Appliances plant in Kinston, USA	-104	-	-104	-
Appliances plant in L'Assomption, Canada	-	-426	-	-426
Reduced workforce in Major Appliances, Europe	-	-356	-54	-356
Appliances plant in Revin, France	-	-	-	-71
Appliances plant in Forli, Italy	-	-	-	-136
Appliances plant in Motala, Sweden	-	-	-	-95
Reversal of unused restructuring provisions	-	20	20	20
<b>Total</b>	<b>-104</b>	<b>-762</b>	<b>-138</b>	<b>-1,064</b>

## Consolidated balance sheet

SEKm	Dec. 31, 2011	Dec. 31, 2010
<b>Assets</b>		
Property, plant and equipment	15,613	14,630
Goodwill	6,008	2,295
Other intangible assets	5,146	3,276
Investments in associates	18	17
Deferred tax assets	2,980	2,981
Financial assets	517	577
Other non-current assets	3,036	2,836
<b>Total non-current assets</b>	<b>33,318</b>	<b>26,612</b>
Inventories	11,957	11,130
Trade receivables	19,226	19,346
Tax assets	666	367
Derivatives	252	386
Other current assets	3,662	3,569
Short-term investments	337	1,722
Cash and cash equivalents	6,966	10,389
<b>Total current assets</b>	<b>43,066</b>	<b>46,909</b>
<b>Total assets</b>	<b>76,384</b>	<b>73,521</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Parent Company</b>		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	324	636
Retained earnings	15,761	15,527
<b>Total equity</b>	<b>20,535</b>	<b>20,613</b>
Non controlling interests	109	-
<b>Total equity</b>	<b>20,644</b>	<b>20,613</b>
Long-term borrowings	9,639	8,413
Deferred tax liabilities	1,127	806
Provisions for post-employment benefits	2,111	2,486
Other provisions	5,300	5,306
<b>Total non-current liabilities</b>	<b>18,177</b>	<b>17,011</b>
Accounts payable	18,490	17,283
Tax liabilities	1,717	1,868
Short-term liabilities	10,497	10,907
Short-term borrowings	4,170	3,139
Derivatives	324	483
Other provisions	2,365	2,217
<b>Total current liabilities</b>	<b>37,563</b>	<b>35,897</b>
<b>Total equity and liabilities</b>	<b>76,384</b>	<b>73,521</b>
<b>Contingent liabilities</b>	<b>1,276</b>	<b>1,062</b>

## Shares

Number of shares	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2011	9,063,125	299,857,183	308,920,308	24,255,085	284,665,223
Conversion of A-shares into B-shares	-850,400	850,400			
<b>Number of shares as of December 31, 2011</b>	<b>8,212,725</b>	<b>300,707,583</b>	<b>308,920,308</b>	<b>24,255,085</b>	<b>284,665,223</b>
As % of total number of shares				7.9%	92.1%

## Consolidated cash flow statement

SEKm	Q4 2011	Q4 2010	2011	2010
<b>Operations</b>				
Operating income	512	952	3,017	5,430
Depreciation and amortization	818	849	3,173	3,328
Capital gain/loss included in operating income	-33	-	-207	4
Restructuring provisions	628	587	110	294
Share-based compensation	12	23	29	73
Financial items paid, net	-244	-77	-214	-72
Taxes paid	-446	-480	-1,625	-1,316
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>1,247</b>	<b>1,854</b>	<b>4,283</b>	<b>7,741</b>
<b>Change in operating assets and liabilities</b>				
Change in inventories	1,649	1,090	269	-1,755
Change in trade receivables	-403	127	244	-216
Change in other current assets	653	-151	200	-977
Change in accounts payable	-232	-489	1,379	2,624
Change in other operating liabilities and provisions	-1,204	-632	-976	263
<b>Cash flow from change in operating assets and liabilities</b>	<b>463</b>	<b>-55</b>	<b>1,116</b>	<b>-61</b>
<b>Cash flow from operations</b>	<b>1,710</b>	<b>1,799</b>	<b>5,399</b>	<b>7,680</b>
<b>Investments</b>				
Acquisition of operations	-3,821	-	-6,377	-
Divestment of operations	608	-	821	7
Capital expenditure in property, plant and equipment	-1,025	-1,160	-3,163	-3,221
Capitalization of product development	-51	-123	-374	-396
Capitalization of software	-230	-252	-744	-688
Other	-117	-131	-212	-176
<b>Cash flow from investments</b>	<b>-4,636</b>	<b>-1,666</b>	<b>-10,049</b>	<b>-4,474</b>
<b>Cash flow from operations and investments</b>	<b>-2,926</b>	<b>133</b>	<b>-4,650</b>	<b>3,206</b>
<b>Financing</b>				
Change in short-term investments	388	175	1,444	1,306
Change in short-term borrowings	-519	60	-619	-1,768
New long-term borrowings	-	3	3,503	380
Amortization of long-term borrowings	-250	-8	-1,161	-1,039
Dividend	-	-	-1,850	-1,138
Sale of shares	-	-	-	18
<b>Cash flow from financing</b>	<b>-381</b>	<b>230</b>	<b>1,317</b>	<b>-2,241</b>
<b>Total cash flow</b>	<b>-3,307</b>	<b>363</b>	<b>-3,333</b>	<b>965</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>10,226</b>	<b>9,947</b>	<b>10,389</b>	<b>9,537</b>
<b>Exchange-rate differences</b>	<b>47</b>	<b>79</b>	<b>-90</b>	<b>-113</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,966</b>	<b>10,389</b>	<b>6,966</b>	<b>10,389</b>



## Change in consolidated equity

SEKm	Dec. 31, 2011	Dec. 31, 2010
<b>Opening balance</b>	<b>20,613</b>	<b>18,841</b>
<b>Total comprehensive income for the period</b>	<b>1,757</b>	<b>2,819</b>
Share-based payment	29	73
Sale of shares	–	18
Dividend	–1,850	–1,138
Dividend to non-controlling interests	–1	–
Acquisition of operations	96	–
<b>Total transactions with equity holders</b>	<b>–1,726</b>	<b>–1,047</b>
<b>Closing balance</b>	<b>20,644</b>	<b>20,613</b>

## Working capital and net assets

SEKm	Dec. 31, 2011	% of annualized net sales	Dec. 31, 2010	% of annualized net sales
Inventories	11,957	10.5	11,130	10.2
Trade receivables	19,226	17.0	19,346	17.7
Accounts payable	–18,490	–16.3	–17,283	–15.8
Provisions	–9,776		–10,009	
Prepaid and accrued income and expenses	–6,598		–7,095	
Taxes and other assets and liabilities	–1,499		–1,991	
<b>Working capital</b>	<b>–5,180</b>	<b>–4.6</b>	<b>–5,902</b>	<b>–5.4</b>
Property, plant and equipment	15,613		14,630	
Goodwill	6,008		2,295	
Other non-current assets	8,717		6,706	
Deferred tax assets and liabilities	1,853		2,175	
<b>Net assets</b>	<b>27,011</b>	<b>23.8</b>	<b>19,904</b>	<b>18.2</b>
Average net assets	22,091	21.7	19,545	18.4
Average net assets, excluding items affecting comparability	23,354	23.0	20,940	19.7

## Key ratios

	Q4 2011	Q4 2010	2011	2010
Net sales, SEKm	28,369	27,556	101,598	106,326
Operating income, SEKm	512	952	3,017	5,430
Margin, %	1.8	3.5	3.0	5.1
EBITDA, SEKm	1,330	1,801	6,190	8,758
Earnings per share, SEK <sup>1)</sup>	0.77	2.38	7.25	14.04
Return on net assets, %	–	–	13.7	27.8
Return on equity, %	–	–	10.4	20.6
Capital-turnover rate, times/year	–	–	4.6	5.4
Equity per share, SEK	–	–	72.52	72.41
Cash flow from operations, SEKm	1,710	1,799	5,399	7,680
Capital expenditure, SEKm	–1,025	–1,160	–3,163	–3,221
Net borrowings, SEKm	–	–	6,367	–709
Net debt/equity ratio	–	–	0.31	–0.03
Equity/assets ratio, %	–	–	30.1	33.9
Average number of employees	56,912	51,803	52,916	51,544
<b>Excluding items affecting comparability</b>				
Operating income, SEKm	616	1,714	3,155	6,494
Margin, %	2.2	6.2	3.1	6.1
EBITDA, SEKm	1,434	2,563	6,328	9,822
Earnings per share, SEK <sup>1)</sup>	1.01	4.23	7.55	16.65
Return on net assets, %	–	–	13.5	31.0
Return on equity, %	–	–	10.8	24.4
Capital-turnover rate, times/year	–	–	4.3	5.1

1) Basic, based on average number of shares, excluding shares owned by Electrolux, see page 19.

For definitions, see page 24.

## Net sales by business area\*

SEKm	Q4 2011	Q4 2010	2011	2010
Major Appliances Europe, Middle East and Africa	9,749	9,677	34,029	36,596
Major Appliances North America	6,271	6,752	27,665	30,969
Major Appliances Latin America	6,003	4,987	17,810	16,260
Major Appliances Asia/Pacific	2,180	2,069	7,852	7,679
Small Appliances	2,579	2,414	8,359	8,422
Professional Products	1,587	1,657	5,882	6,389
Other	–	–	1	11
<b>Total</b>	<b>28,369</b>	<b>27,556</b>	<b>101,598</b>	<b>106,326</b>

## Operating income by business area\*

SEKm	Q4 2011	Q4 2010	2011	2010
Major Appliances Europe, Middle East and Africa	–202	447	709	2,297
Margin, %	–2.1	4.6	2.1	6.3
Major Appliances North America	76	291	250	1,442
Margin, %	1.2	4.3	0.9	4.7
Major Appliances Latin America	345	337	820	951
Margin, %	5.7	6.8	4.6	5.8
Major Appliances Asia/Pacific	213	200	736	793
Margin, %	9.8	9.7	9.4	10.3
Small Appliances	237	271	543	802
Margin, %	9.2	11.2	6.5	9.5
Professional Products	191	243	841	743
Margin, %	12.0	14.7	14.3	11.6
<b>Total business areas</b>	<b>860</b>	<b>1,789</b>	<b>3,899</b>	<b>7,028</b>
<b>Margin, %</b>	<b>3.0</b>	<b>6.5</b>	<b>3.8</b>	<b>6.6</b>
Common Group costs, etc.	–244	–75	–744	–534
Items affecting comparability	–104	–762	–138	–1,064
<b>Operating income</b>	<b>512</b>	<b>952</b>	<b>3,017</b>	<b>5,430</b>

\* Figures for 2010 have been restated according to the new reporting structure, see pages 20 and 22.

## Change in net sales by business area

Year-over-year, %	Q4 2011	Q4 2011 in comparable currencies	2011	2011 in comparable currencies
Major Appliances Europe, Middle East and Africa	0.7	3.2	–7.0	–2.2
Major Appliances North America	–7.1	–5.9	–10.7	–1.3
Major Appliances Latin America	20.4	27.8	9.5	16.5
Major Appliances Asia/Pacific	5.4	4.1	2.3	3.2
Small Appliances	6.8	10.1	–0.7	6.0
Professional Products	–4.2	–2.8	–7.9	–3.7
<b>Total change</b>	<b>3.0</b>	<b>5.7</b>	<b>–4.4</b>	<b>1.9</b>

## Change in operating income by business area

Year-over-year, %	Q4 2011	Q4 2011 in comparable currencies	2011	2011 in comparable currencies
Major Appliances Europe, Middle East and Africa	–145.2	–120.0	–69.1	–67.2
Major Appliances North America	–73.9	–72.6	–82.7	–81.1
Major Appliances Latin America	2.4	6.3	–13.8	–8.1
Major Appliances Asia/Pacific	6.5	8.5	–7.2	–7.9
Small Appliances	–12.5	–8.5	–32.3	–29.5
Professional Products	–21.4	–20.4	13.2	18.5
<b>Total change, excluding items affecting comparability</b>	<b>–64.1</b>	<b>–63.8</b>	<b>–51.4</b>	<b>–48.9</b>

## Exchange rates

SEK	Dec. 31, 2011	Dec. 31, 2010
AUD, average	6.72	6.60
AUD, end of period	7.02	6.92
BRL, average	3.88	4.10
BRL, end of period	3.68	4.08
CAD, average	6.55	6.96
CAD, end of period	6.77	6.80
EUR, average	9.02	9.56
EUR, end of period	8.93	9.01
GBP, average	10.36	11.13
GBP, end of period	10.65	10.52
HUF, average	0.0322	0.0346
HUF, end of period	0.0287	0.0322
USD, average	6.48	7.20
USD, end of period	6.90	6.81

## Net sales and income per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Net sales	<b>2011</b>	<b>23,436</b>	<b>24,143</b>	<b>25,650</b>	<b>28,369</b>	<b>101,598</b>
	2010	25,133	27,311	26,326	27,556	106,326
Operating income	<b>2011</b>	<b>696</b>	<b>745</b>	<b>1,064</b>	<b>512</b>	<b>3,017</b>
	<b>Margin, %</b>	<b>3.0</b>	<b>3.1</b>	<b>4.1</b>	<b>1.8</b>	<b>3.0</b>
	<b>2011<sup>1)</sup></b>	<b>696</b>	<b>745</b>	<b>1,098</b>	<b>616</b>	<b>3,155</b>
	<b>Margin, %</b>	<b>3.0</b>	<b>3.1</b>	<b>4.3</b>	<b>2.2</b>	<b>3.1</b>
	2010	1,231	1,270	1,977	952	5,430
	Margin, %	4.9	4.7	7.5	3.5	5.1
	2010 <sup>1)</sup>	1,326	1,477	1,977	1,714	6,494
	Margin, %	5.3	5.4	7.5	6.2	6.1
Income after financial items	<b>2011</b>	<b>637</b>	<b>696</b>	<b>1,119</b>	<b>328</b>	<b>2,780</b>
	<b>Margin, %</b>	<b>2.7</b>	<b>2.9</b>	<b>4.4</b>	<b>1.2</b>	<b>2.7</b>
	<b>2011<sup>1)</sup></b>	<b>637</b>	<b>696</b>	<b>1,153</b>	<b>432</b>	<b>2,918</b>
	<b>Margin, %</b>	<b>2.7</b>	<b>2.9</b>	<b>4.5</b>	<b>1.5</b>	<b>2.9</b>
	2010	1,211	1,269	1,901	925	5,306
	Margin, %	4.8	4.6	7.2	3.4	5.0
	2010 <sup>1)</sup>	1,306	1,476	1,901	1,687	6,370
	Margin, %	5.2	5.4	7.2	6.1	6.0
Income for the period	<b>2011</b>	<b>457</b>	<b>561</b>	<b>825</b>	<b>221</b>	<b>2,064</b>
	2010	911	1,028	1,381	677	3,997
Earnings per share, SEK <sup>2)</sup>	<b>2011</b>	<b>1.61</b>	<b>1.97</b>	<b>2.90</b>	<b>0.77</b>	<b>7.25</b>
	<b>2011<sup>1)</sup></b>	<b>1.61</b>	<b>1.97</b>	<b>2.96</b>	<b>1.01</b>	<b>7.55</b>
	2010	3.20	3.61	4.85	2.38	14.04
	2010 <sup>1)</sup>	3.45	4.12	4.85	4.23	16.65

1) Excluding items affecting comparability.

2) Basic, based on average number of shares, excluding shares owned by Electrolux.

### Number of shares, basic

Number of shares after buy-backs, million	<b>2011</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>
	2010	284.5	284.7	284.7	284.7	284.7
Average number of shares after buy-backs, million	<b>2011</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>	<b>284.7</b>
	2010	284.5	284.6	284.7	284.7	284.6

### Items affecting comparability

Restructuring provisions, write-downs and capital loss on divestment, SEKm	<b>2011</b>	<b>-</b>	<b>-</b>	<b>-34</b>	<b>-104</b>	<b>-138</b>
	2010	-95	-207	-	-762	-1,064

Net sales by business area per quarter<sup>1)</sup>

SEKm		Q1	Q2	Q3	Q4	Full year
Major Appliances Europe, Middle East and Africa	<b>2011</b>	<b>7,656</b>	<b>7,660</b>	<b>8,964</b>	<b>9,749</b>	<b>34,029</b>
	2010	8,921	8,603	9,395	9,677	36,596
	2009	9,680	9,634	10,507	10,679	40,500
Major Appliances North America	<b>2011</b>	<b>6,728</b>	<b>7,544</b>	<b>7,122</b>	<b>6,271</b>	<b>27,665</b>
	2010	7,305	9,308	7,604	6,752	30,969
	2009	8,398	9,058	8,136	7,102	32,694
Major Appliances Latin America	<b>2011</b>	<b>3,998</b>	<b>3,708</b>	<b>4,101</b>	<b>6,003</b>	<b>17,810</b>
	2010	3,796	3,667	3,810	4,987	16,260
	2009	2,437	3,122	3,571	4,172	13,302
Major Appliances Asia/Pacific	<b>2011</b>	<b>1,746</b>	<b>1,945</b>	<b>1,981</b>	<b>2,180</b>	<b>7,852</b>
	2010	1,666	2,035	1,909	2,069	7,679
	2009	1,533	1,787	1,746	1,971	7,037
Small Appliances	<b>2011</b>	<b>1,930</b>	<b>1,794</b>	<b>2,056</b>	<b>2,579</b>	<b>8,359</b>
	2010	1,936	1,966	2,106	2,414	8,422
	2009	2,041	2,029	2,026	2,368	8,464
Professional Products	<b>2011</b>	<b>1,378</b>	<b>1,491</b>	<b>1,426</b>	<b>1,587</b>	<b>5,882</b>
	2010	1,501	1,730	1,501	1,657	6,389
	2009	1,727	1,850	1,629	1,923	7,129

Operating income by business area per quarter<sup>1)</sup>

SEKm		Q1	Q2	Q3 <sup>a)</sup>	Q4 <sup>a)</sup>	Full year
Major Appliances Europe, Middle East and Africa	<b>2011</b>	<b>311</b>	<b>156</b>	<b>444</b>	<b>-202</b>	<b>709</b>
	<b>Margin, %</b>	<b>4.1</b>	<b>2.0</b>	<b>5.0</b>	<b>-2.1</b>	<b>2.1</b>
	2010	499	453	898	447	2,297
	Margin, %	5.6	5.3	9.6	4.6	6.3
	2009	112	255	903	642	1,912
	Margin, %	1.2	2.6	8.6	6.0	4.7
Major Appliances North America	<b>2011</b>	<b>-71</b>	<b>138</b>	<b>107</b>	<b>76</b>	<b>250</b>
	<b>Margin, %</b>	<b>-1.1</b>	<b>1.8</b>	<b>1.5</b>	<b>1.2</b>	<b>0.9</b>
	2010	299	439	413	291	1,442
	Margin, %	4.1	4.7	5.4	4.3	4.7
	2009	-178	478	617	382	1,299
	Margin, %	-2.1	5.3	7.6	5.4	4.0
Major Appliances Latin America	<b>2011</b>	<b>139</b>	<b>114</b>	<b>222</b>	<b>345</b>	<b>820</b>
	<b>Margin, %</b>	<b>3.5</b>	<b>3.1</b>	<b>5.4</b>	<b>5.7</b>	<b>4.6</b>
	2010	206	209	199	337	951
	Margin, %	5.4	5.7	5.2	6.8	5.8
	2009	34	133	296	346	809
	Margin, %	1.4	4.3	8.3	8.3	6.1
Major Appliances Asia/Pacific	<b>2011</b>	<b>174</b>	<b>177</b>	<b>172</b>	<b>213</b>	<b>736</b>
	<b>Margin, %</b>	<b>10.0</b>	<b>9.1</b>	<b>8.7</b>	<b>9.8</b>	<b>9.4</b>
	2010	145	207	241	200	793
	Margin, %	8.7	10.2	12.6	9.7	10.3
	2009	15	51	147	165	378
	Margin, %	1.0	2.9	8.4	8.4	5.4
Small Appliances	<b>2011</b>	<b>114</b>	<b>23</b>	<b>169</b>	<b>237</b>	<b>543</b>
	<b>Margin, %</b>	<b>5.9</b>	<b>1.3</b>	<b>8.2</b>	<b>9.2</b>	<b>6.5</b>
	2010	211	122	198	271	802
	Margin, %	10.9	6.2	9.4	11.2	9.5
	2009	75	84	238	366	763
	Margin, %	3.7	4.1	11.7	15.5	9.0
Professional Products	<b>2011</b>	<b>177</b>	<b>274</b>	<b>199</b>	<b>191</b>	<b>841</b>
	<b>Margin, %</b>	<b>12.8</b>	<b>18.4</b>	<b>14.0</b>	<b>12.0</b>	<b>14.3</b>
	2010	91	207	202	243	743
	Margin, %	6.1	12.0	13.5	14.7	11.6
	2009	105	165	173	225	668
	Margin, %	6.1	8.9	10.6	11.7	9.4
Common Group costs, etc.	<b>2011</b>	<b>-148</b>	<b>-137</b>	<b>-215</b>	<b>-244</b>	<b>-744</b>
	2010	-125	-160	-174	-75	-534
	2009	-125	-139	-140	-103	-507
Items affecting comparability	<b>2011</b>	<b>-</b>	<b>-</b>	<b>-34</b>	<b>-104</b>	<b>-138</b>
	2010	-95	-207	-	-762	-1,064
	2009	-424	25	56	-1,218	-1,561

1) As of the first quarter of 2011, the Group's operations for floor-care products and small domestic appliances are reported as an own global business area. These operations have previously been reported within each regional business area within consumer durables. The new business area name is Small Appliances. Other business areas within consumer durables have changed their names to Major Appliances.

## Net assets by business area

SEKm	Assets		Equity and liabilities		Net assets	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Major Appliances Europe, Middle East and Africa	29,877	27,481	20,427	20,668	9,450	6,813
Major Appliances North America	8,138	9,072	2,822	2,060	5,316	7,012
Major Appliances Latin America	11,634	7,228	4,166	4,082	7,468	3,146
Major Appliances Asia/Pacific	4,293	3,920	2,253	1,900	2,040	2,020
Small Appliances	4,951	4,057	2,741	2,334	2,210	1,723
Professional Products	2,643	2,492	1,711	1,618	932	874
Other <sup>1)</sup>	6,892	6,462	6,294	6,507	598	-45
Items affecting comparability	117	4	1,120	1,643	-1,003	-1,639
<b>Total operating assets and liabilities</b>	<b>68,545</b>	<b>60,716</b>	<b>41,534</b>	<b>40,812</b>	<b>27,011</b>	<b>19,904</b>
Liquid funds	7,839	12,805	-	-	-	-
Interest—bearing receivables	-	-	-	-	-	-
Interest—bearing liabilities	-	-	14,206	12,096	-	-
Equity	-	-	20,644	20,613	-	-
<b>Total</b>	<b>76,384</b>	<b>73,521</b>	<b>76,384</b>	<b>73,521</b>	<b>-</b>	<b>-</b>

1) Includes common Group functions and tax items.

## Acquisitions<sup>1)</sup>

### Consideration

SEKm	Olympic Group	CTI	Total
Cash paid	2,556	3,804	6,360
<b>Total</b>	<b>2,556</b>	<b>3,804</b>	<b>6,360</b>

### Recognized amounts of identifiable assets acquired and liabilities assumed at fair value

SEKm	Olympic Group	CTI	Total
Property, plant and equipment	555	382	937
Intangible assets	516	1,012	1,528
Inventories	577	734	1,311
Trade receivables	195	763	958
Other current and non-current assets	236	310	546
Accounts payable	-223	-189	-412
Other operating liabilities	-574	-886	-1,460
Current assets classified as held for sale	537	-	537
<b>Total identifiable net assets acquired</b>	<b>1,819</b>	<b>2,126</b>	<b>3,945</b>
Cash and cash equivalents	34	114	148
Borrowings	-723	-499	-1,222
<b>Assumed net debt</b>	<b>-689</b>	<b>-385</b>	<b>-1,074</b>
<b>Non-controlling interests</b>	<b>-69</b>	<b>-41</b>	<b>-110</b>
<b>Goodwill</b>	<b>1,495</b>	<b>2,104</b>	<b>3,599</b>
<b>Total</b>	<b>2,556</b>	<b>3,804</b>	<b>6,360</b>

1) Olympic Group and CTI are included in Electrolux consolidated accounts as of September and October, respectively.

## Operations, by business area\*

SEKm	2011	2010	2009	2008	2007
<b>Major Appliances Europe, Middle East and Africa</b>					
Net sales	34,029	36,596	40,500	42,952	44,015
Operating income	709	2,297	1,912	-303	1,861
Margin, %	2.1	6.3	4.7	-0.7	4.2
<b>Major Appliances North America</b>					
Net sales	27,665	30,969	32,694	29,836	30,412
Operating income	250	1,442	1,299	85	1,489
Margin, %	0.9	4.7	4.0	0.3	4.9
<b>Major Appliances Latin America</b>					
Net sales	17,810	16,260	13,302	10,485	8,794
Operating income	820	951	809	645	462
Margin, %	4.6	5.8	6.1	6.2	5.3
<b>Major Appliances Asia/Pacific</b>					
Net sales	7,852	7,679	7,037	6,049	6,080
Operating income	736	793	378	93	63
Margin, %	9.4	10.3	5.4	1.5	1.0
<b>Small Appliances</b>					
Net sales	8,359	8,422	8,464	7,987	8,309
Operating income	543	802	763	764	747
Margin, %	6.5	9.5	9.0	9.6	9.0
<b>Professional Products</b>					
Net sales	5,882	6,389	7,129	7,427	7,102
Operating income	841	743	668	774	584
Margin, %	14.3	11.6	9.4	10.4	8.2
<b>Other</b>					
Net sales	1	11	6	56	20
Operating income, common Group costs, etc.	-744	-534	-507	-515	-369
<b>Total Group, excluding items affecting comparability</b>					
Net sales	101,598	106,326	109,132	104,792	104,732
Operating income	3,155	6,494	5,322	1,543	4,837
Margin, %	3.1	6.1	4.9	1.5	4.6
Items affecting comparability	-138	-1,064	-1,561	-355	-362
<b>Total Group, including items affecting comparability</b>					
Net sales	101,598	106,326	109,132	104,792	104,732
Operating income	3,017	5,430	3,761	1,188	4,475
Margin, %	3.0	5.1	3.4	1.1	4.3

\* As of the first quarter of 2011, the Group's operations for floor-care products and small domestic appliances are reported as an own global business area. These operations have previously been reported within each regional business area within consumer durables. The new business area name is Small Appliances. Other business areas within consumer durables have changed their names to Major Appliances.

## Parent Company, income statement<sup>1)</sup>

SEKm	Q4 2011	Q4 2010	2011	2010
<b>Net sales</b>	<b>1,754</b>	<b>1,807</b>	<b>6,660</b>	<b>5,989</b>
Cost of goods sold	-1,311	-1,469	-5,023	-4,506
<b>Gross operating income</b>	<b>443</b>	<b>338</b>	<b>1,637</b>	<b>1,483</b>
Selling expenses	-333	-226	-1,109	-923
Administrative expenses	113	-20	-295	-620
Other operating income	107	124	298	379
Other operating expenses	-	-10	-10	-106
<b>Operating income</b>	<b>330</b>	<b>206</b>	<b>521</b>	<b>213</b>
Financial income	1,577	631	2,727	3,478
Financial expenses	-222	-271	-344	-58
<b>Financial items, net</b>	<b>1,355</b>	<b>360</b>	<b>2,383</b>	<b>3,420</b>
<b>Income after financial items</b>	<b>1,685</b>	<b>566</b>	<b>2,904</b>	<b>3,633</b>
Appropriations	9	35	32	55
<b>Income before taxes</b>	<b>1,694</b>	<b>601</b>	<b>2,936</b>	<b>3,688</b>
Taxes	-99	-210	-191	-335
<b>Income for the period</b>	<b>1,595</b>	<b>391</b>	<b>2,745</b>	<b>3,353</b>

## Parent Company, balance sheet

SEKm	Dec. 31, 2011	Dec. 31, 2010
<b>Assets</b>		
Non-current assets	33,247	28,517
Current assets	14,833	19,944
<b>Total assets</b>	<b>48,080</b>	<b>48,461</b>
<b>Equity and liabilities</b>		
Restricted equity	4,562	4,562
Non-restricted equity	15,938	15,089
<b>Total equity</b>	<b>20,500</b>	<b>19,651</b>
Untaxed reserves	597	629
Provisions	732	616
Non-current liabilities	9,220	7,836
Current liabilities	17,031	19,729
<b>Total equity and liabilities</b>	<b>48,080</b>	<b>48,461</b>
<b>Pledged assets</b>	<b>5</b>	<b>5</b>
<b>Contingent liabilities</b>	<b>1,428</b>	<b>1,608</b>

1) The parent company reports Group contributions in the income statement as of the fourth quarter of 2011. The income statement for 2010 has been restated.

## Five-year review

	2011	2010	2009	2008	2007
Net sales, SEKm	101,598	106,326	109,132	104,792	104,732
Operating income, SEKm	3,017	5,430	3,761	1,188	4,475
Margin, %	3.0	5.1	3.4	1.1	4.3
Margin, excluding items affecting comparability, %	3.1	6.1	4.9	1.5	4.6
Income after financial items, SEKm	2,780	5,306	3,484	653	4,035
Margin, %	2.7	5.0	3.2	0.6	3.9
Margin, excluding items affecting comparability, %	2.9	6.0	4.6	1.0	4.2
Income for the period, SEKm	2,064	3,997	2,607	366	2,925
Earnings per share, SEK	7.25	14.04	9.18	1.29	10.41
Average number of shares after buy-backs, million	284.7	284.6	284.0	283.1	281.0
Dividend, SEK	6.50 <sup>1)</sup>	6.50	4.00	–	4.25
Return on equity, %	10.4	20.6	14.9	2.4	20.3
Return on net assets, %	13.7	27.8	19.4	5.8	21.7
Net debt/equity ratio	0.31	-0.03	0.04	0.28	0.29
Capital expenditure, SEKm	3,163	3,221	2,223	3,158	3,430
Average number of employees	52,916	51,544	50,633	55,177	56,898

1) Proposed by the Board of Directors.

## Definitions

### Capital indicators

#### Annualized sales

In computation of key ratios where capital is related to net sales, the latter are annualized and converted at year-end-exchange rates and adjusted for acquired and divested operations.

#### Net assets

Total assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

#### Working capital

Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.

#### Total borrowings

Total borrowings consist of interest-bearing liabilities, fair-value derivatives, accrued interest expenses and prepaid interest income, and trade receivables with recourse.

#### Net borrowings

Total borrowings less liquid funds.

#### Net debt/equity ratio

Net borrowings in relation to equity.

#### Equity/assets ratio

Equity as a percentage of total assets less liquid funds.

#### Capital turnover rate

Net sales in relation to average net assets

### Other key ratios

#### Earnings per share

Income for the period divided by the average number of shares after buy-backs.

#### Operating margin

Operating income expressed as a percentage of net sales.

#### EBITDA

Operating income before depreciation and amortization.

#### Return on equity

Income for the period expressed as a percentage of average equity.

#### Return on net assets

Operating income expressed as a percentage of average net assets.



## President and CEO Keith McLoughlin's comments on the fourth-quarter and full-year results 2011

Today's press release is available on the Electrolux website  
[www.electrolux.com/ir](http://www.electrolux.com/ir)

### Telephone conference

A telephone conference is held at 15.00 CET on February 2, 2012. The conference is chaired by Keith McLoughlin, President and CEO of Electrolux. Mr. McLoughlin is accompanied by Peter Nyquist, SVP Investor Relations and Financial Information.

A slide presentation on the fourth-quarter and full-year results of 2011 will be available on the Electrolux website  
[www.electrolux.com/ir](http://www.electrolux.com/ir)

Details for participation by telephone are as follows:  
 Participants in Sweden should call +46 (0)8 505 598 53  
 Participants in UK/Europe should call +44 (0)20 3043 2436  
 Participants in US should call +1 866 458 4087

You can also listen to the presentation at  
[www.electrolux.com/webcast1](http://www.electrolux.com/webcast1)

#### For further information

Peter Nyquist, Senior Vice President, Head of Investor Relations and Financial Information: +46 (0) 8 738 60 03.

Financial information from Electrolux is also available at  
[www.electrolux.com/ir](http://www.electrolux.com/ir)

#### Factors affecting forward-looking statements

*This report 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.*

Calendar 2012

#### Financial reports 2012

Consolidated results  
 Interim report January – March  
 Interim report January – June  
 Interim report January – September

February 2  
 April 25  
 July 19  
 October 22

#### Annual General Meeting 2012

The Annual General Meeting of AB Electrolux will be held on Tuesday, March, 27, 2012, at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden

#### Annual Report 2011

Available at the Group's website

Week 10

*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 February 2, 2012.*