



Thinking of you  
**Electrolux**

# Press release

Stockholm, July 19, 2012

*President and CEO Keith McLoughlin's comments on the results for the second quarter of 2012*

## Strong sales and earnings improvement

**Electrolux generated a record-high organic sales growth during the second quarter and improved its earnings significantly compared to the same period of last year. Our operations in Latin America and Asia showed strong volume growth and earnings in North America were up significantly. An important factor for the positive development in North America was price increases. In Europe, Electrolux continued to gain market share, but results were negatively impacted by the weak market development.**

In the second quarter, organic growth accounted for approximately 6%, which is a historic record for the Electrolux appliance business, with both volume and price contributing positively.

Sales volumes in our Latin American operations were up substantially, partly driven by government tax incentives in Brazil, and our operations in Chile and Argentina, originating from the CTI acquisition, continue to outperform the market.

The Electrolux appliance business in North America significantly improved its operating income compared with the same period in 2011. The most important factors for the strong result were price increases and operational efficiency. As we go forward, we expect the North American appliance market to show modest growth as the housing market gradually recovers.

Four out of our six business areas delivered an EBIT margin at or above our 6% target. Small Appliances showed a lower margin, but we anticipate that the seasonally stronger second half will restore earnings in line with our targets. The soft performance for Major Appliances Europe is primarily related to the weak consumer confidence that is spreading throughout Europe and impacting the appliance market negatively through weak demand. In spite of a difficult environment, Electrolux continues to capture share in strategically important areas within the premium segments, such as built-in kitchen appliances.

We continue to generate solid cash flow primarily due to the healthy trend in our working capital, which is attributable to our ongoing structural efforts in capital efficiency. This strong cash flow has further strengthened our balance sheet, enabling us to be prepared for both uncertainty and the profitable growth opportunities that we see ahead of us.

### AB ELECTROLUX (PUBL)

**Postal address**  
SE-105 45 Stockholm, Sweden  
**Visiting address**  
S:t Göransgatan 143

**Media hotline**  
+46 8 657 65 07  
**Telefax**  
+46 8 738 74 61

**Investor Relations**  
+46 8 738 60 03  
**Website**  
[www.electrolux.com](http://www.electrolux.com)

**E-mail**  
[ir@electrolux.se](mailto:ir@electrolux.se)  
**Reg. No.**  
556009-4178

We still expect raw-material costs for 2012 to exceed the 2011 level by a maximum of SEK 500m. With today's market prices for our most important raw materials, we anticipate a more positive development for 2013.

Our revenues from emerging markets have increased from 15% to 35% only in a few years time. We anticipate that we will be able to maintain the strong organic growth in Latin America and Southeast Asia, recover sales growth in our Northern African and Middle Eastern businesses and get leverage from launching new products in the Chinese market. This diversification of our revenue base is an important part of our portfolio growth strategy.

Stockholm, July 19, 2012

Keith McLoughlin  
President and Chief Executive Officer

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on July 19, 2012.

## About Electrolux

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. The company focuses on innovative solutions that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, cookers, air-conditioners and small appliances such as vacuum cleaners sold under esteemed brands like Electrolux, AEG, Eureka and Frigidaire. In 2011 Electrolux had sales of SEK 102 billion and 58,000 employees. For more information go to [www.electrolux.com/press](http://www.electrolux.com/press) and [www.electrolux.com/news](http://www.electrolux.com/news).