



Thinking of you
Electrolux

Press release

Stockholm, October 22, 2012

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

Strong performance in an uncertain macro environment

In the third quarter, Electrolux recorded a significant year-on-year improvement in its sales and earnings despite considerable uncertainty in markets across the globe. In North America, improvements in price and mix along with operational efficiency contributed to an operating margin that exceeded 6%. Latin America reported strong results based on a continuing positive volume trend. Our appliances business in Europe is suffering from weak consumer confidence with falling volumes in some of our key markets.

Net sales in comparable currencies grew by more than 10% in the third quarter. Half of the growth was attributable to acquisitions while the remainder was generated by organic growth. Operations in Latin America recorded organic growth of close to 25% during the third quarter, partly driven by government tax incentives in Brazil, which have been extended to the end of 2012.

Market demand for core appliances in North America in the third quarter was slightly positive and we expect this trend to continue to improve, supported by a gradual recovery in the housing market. We will utilize the positive momentum and invest more in brand building activities with the aim of further strengthening the Group's position.

During the quarter, five of our six business areas delivered an EBIT margin at or above our target of 6%, with only Major Appliances Europe falling short. The soft performance in Europe is primarily attributable to weak consumer confidence, which is spreading throughout Europe and impacting appliance demand in many of our important markets, such as Southern Europe, the Nordic countries and Benelux.

The market situation in Europe is likely to get worse before it gets better and we are minimizing the negative effect by launching new products and eliminating costs. We are continuing to launch the next generation of high-end appliances under the Electrolux brand for the European market. Together with AEG products and the re-launch of Zanussi products for the mass-market segment, we will deliver a highly competitive product offering in all segments for the entire European market. Late last year, we announced our aim to further improve our manufacturing footprint to remain cost competitive. In line with this strategy, we today present a number of actions that will have a positive impact on the European cost position going forward.

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On a nine-month basis, Electrolux generated a sales growth of more than 10%, almost equally divided between organic and acquired growth. We expect that Electrolux will exceed its target for organic sales growth of 4% in 2012. It would be the first time Electrolux achieved an organic growth of more than 4% since 2005, when the appliance market in Europe and North America peaked. The diversification of our revenue base through expansion in emerging markets as well as through launches of new product innovations, which increased market share in our core markets, is having a positive impact on Electrolux sales and earnings growth.

Stockholm, October 22, 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 October 22, 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 and www.electrolux.com/news.