



INNOVATION
BRAND
OPERATIONAL EXCELLENCE
GROWTH

Thinking of you

 **Electrolux**

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OPERATIONS AND STRATEGY

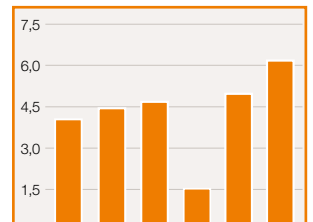
Our new, global initiative will enable us to further enhance our competitiveness. Additional positive effects include increasing the leverage of product development.

CEO statement, page 2.



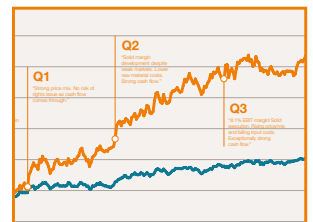
Efforts to transform Electrolux into an innovative, consumer-focused company have yielded results. Electrolux succeeded in achieving an operating margin of 6.1%, excluding items affecting comparability, primarily through lower costs and an improved product mix.

Electrolux strategy, page 35



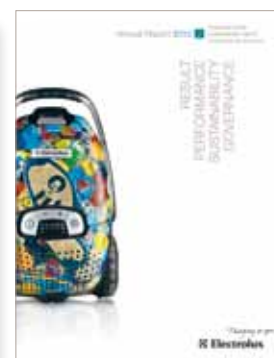
Over the past ten years, the average annual yield on an investment in Electrolux shares was 25.5%. The corresponding figure for SIX Return Index was 10.6%.

Electrolux and the capital market, see page 62.



Part 1 describes Electrolux operations and strategy.

Part 2 consists of the financial review, sustainability report and corporate governance report.



Electrolux has reported its sustainability work in accordance with the GRI's Application Level B. The complete report can be found on www.electrolux.com/sustainability



Electrolux offering

Category

Products

CONSUMER
DURABLES



For household kitchens throughout the world, Electrolux sells cookers, ovens, refrigerators, freezers, dishwashers, hoods and small appliances. The increasing role of the kitchen as a meeting place for family and friends gives Electrolux a unique display area.



Washing machines and tumble-dryers are the core of the Electrolux product offering for cleaning and care of textiles. Innovations and a growing preference for higher capacity, user-friendliness as well as lower consumption of water and energy are driving demand for Electrolux products.



Electrolux vacuum cleaners and accessories are sold to consumers worldwide. A strong, global distribution network and an attractive product offering are important competitive advantages. All production is located in low-cost areas.

PROFESSIONAL
PRODUCTS



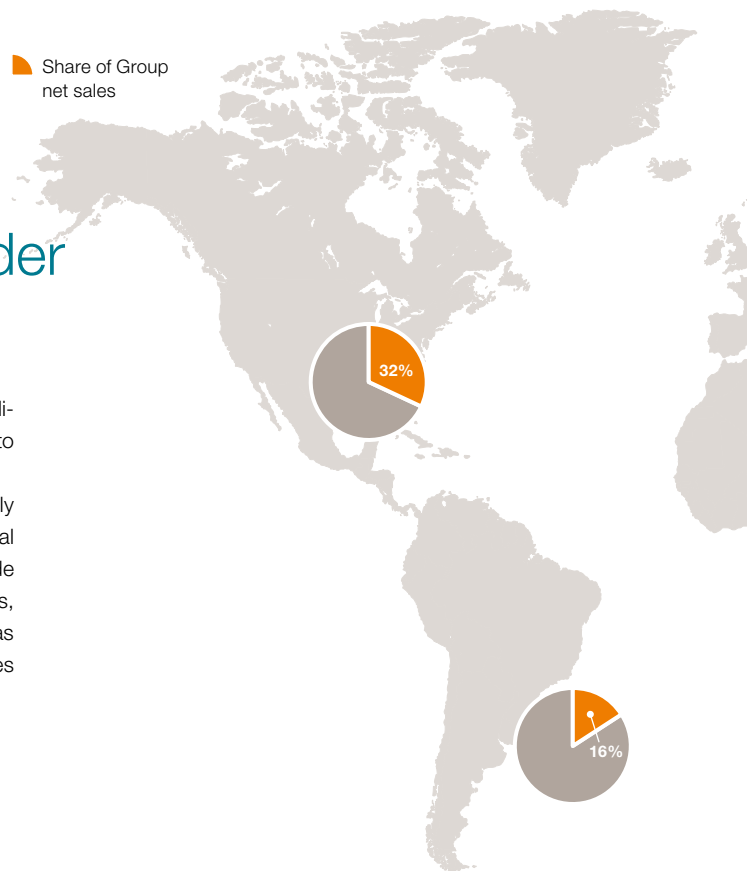
Electrolux sells a range of products for professional kitchens and laundries. High productivity, maximum utilization of resources and an extensive service network are key factors for purchases by professionals. Electrolux has a global presence, and is largest in Europe.

Share of Group net sales

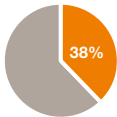
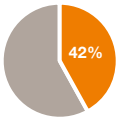
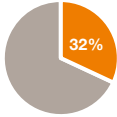
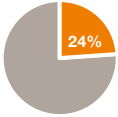
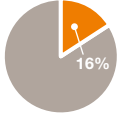
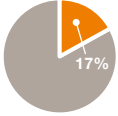
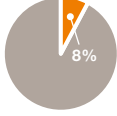
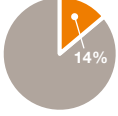
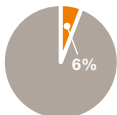
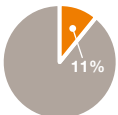
Electrolux – a global leader with a customer focus

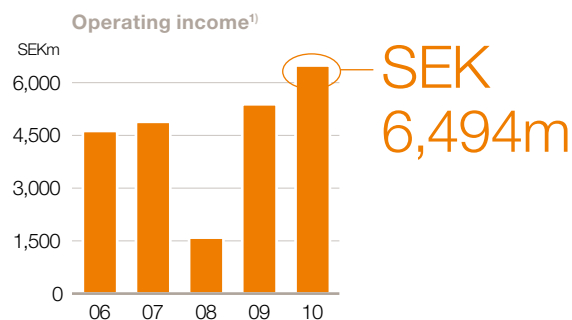
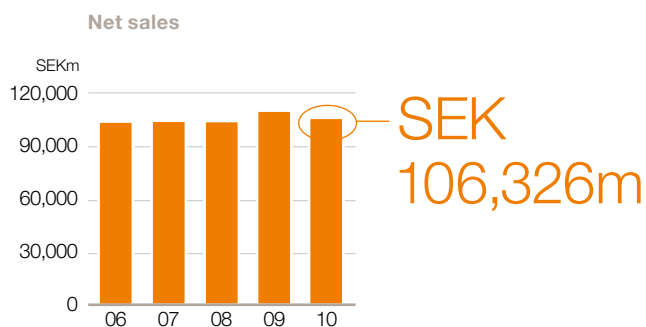
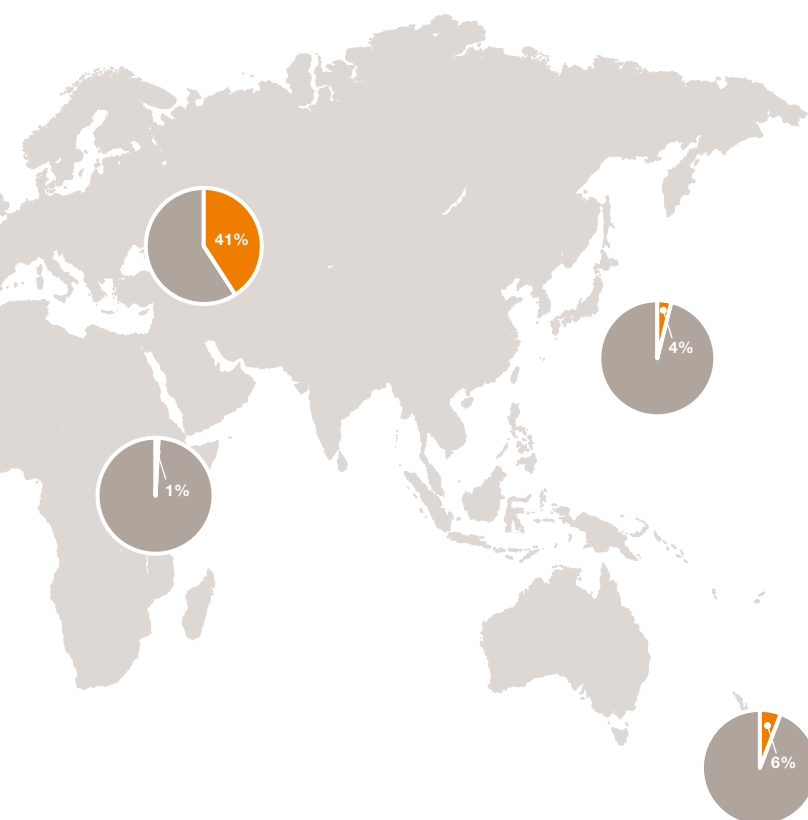
Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year.

The company focuses on innovations 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, vacuum cleaners, cookers and air-conditioners sold under esteemed brands such as Electrolux, AEG, Eureka and Frigidaire. In 2010 Electrolux had sales of SEK 106 billion and 52,000 employees.



Electrolux business areas

	Net sales	Operating income	Development 2010
Consumer Durables Europe, Middle East and Africa			Operating income for appliances improved considerably compared to the previous year, above all due to a positive mix development. Operating income for the floor-care operation also improved substantially. This is a result of increased sales of products in the premium segment, which improved the product mix.
Consumer Durables North America			Operating income for appliances increased primarily on the basis of an improved product mix. Operating income for the floor-care operations declined, due to lower sales volumes, higher costs for sourced products and lower prices in the market.
Consumer Durables Latin America			Electrolux sales volumes in Latin America increased in 2010, which led to higher sales and increased market shares for the Group in Brazil and several other markets in Latin America. Operating income for 2010 improved, primarily on the basis of higher volumes and an improved product mix.
Consumer Durables Asia/Pacific			Operating income improved considerably, on the basis of changes in exchange rates and improved cost efficiency. Electrolux sales in the Southeast Asian and Chinese markets grew substantially and the Group continued to gain market shares. The operations in Southeast Asia continued to show good profitability.
Professional Products			Operating income showed a considerable improvement due to increased sales of own-manufactured products, an improved customer mix and cost efficiencies. Price increases also impacted income positively. Operating income for 2010 was the best ever for the operations in Professional Products.



1) Excluding items affecting comparability.

2010 – a summary of a record year

Sales increased by 1.5% in comparable currencies. Strong growth in Latin America and Asia/Pacific offset lower sales volumes in Europe and North America.

In 2010, Electrolux reached the margin target of 6% for a full year for the first time.

Improvements in product mix and cost savings offset higher costs for raw materials and downward pressure on prices.

All business areas outperformed previous year's operating income.

Strong improvements in operating income for the operations in Asia/Pacific and for Professional Products.

Solid cash flow generated by operating income.

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Campaign Green Range

All product development at Electrolux is based on comprehensive insight into the sophisticated needs of consumers. Across the globe, interest is growing in products that are sustainably manufactured, use less energy and water, and can be recycled. As a leading brand of energy- and water-efficient products, both for consumers and professional users, Electrolux can capitalize on this trend.

With its Vac from the Sea campaign, Electrolux has raised people's awareness of the impact of plastic waste in the world's oceans at that same time as there is a shortage of recycled plastic. The campaign, which is linked to the strategy surrounding the marketing of the Electrolux Green Range of vacuum cleaners, has strengthened the Group's leading position in sustainability.

Five concept vacuum cleaners made of plastic found in the world's oceans are a part of the marketing strategy for Electrolux Green Range of vacuum cleaners.



CEO dialogue

The former President and CEO of Electrolux Hans Stråberg and the new President and CEO Keith McLoughlin discuss a number of issues concerning the operations and strategy of Electrolux.

On the operating margin, which reached a full 6.1% for 2010, the highest level ever in the current structure.

► **(Hans)**

I am especially pleased with achieving this high operating margin in a year marked by relatively difficult conditions. Demand in our largest markets, North America and Europe, was far from convincing. We experienced downward pressure on prices in certain segments and raw-material prices rose steeply. The increase in our profitability was therefore mainly attributable to our own efforts. We retained our focus on low costs and launched new savings programs early in the recession, our restructuring program continued as planned and we intensified activities focusing on our new global initiatives.

Meanwhile, we have had the resources to take aggressive actions during 2010. We launched multiple new products and increased brand investments; initiatives that have helped enhance the mix. An example of this is the strengthening of our brand positions in North America. The improvement in income for the vacuum cleaner business largely derived from an improved mix through the launch of new products. Moreover, new income and sales records were noted in Latin America and Southeast Asia and Professional Products recorded its highest ever operating margin.

Another key milestone was the near completion of the major restructuring program that we initiated in 2004, with some of the final decisions being taken in December 2010. The program will generate combined cost savings of SEK 3.4 billion per

year. We have created an entirely new plant structure with nearly 60% of our production taking place in low-cost areas; the share in 2004 was about 20%.

► **(Keith)**

And our new, global initiative will enable us to further enhance our competitiveness. We anticipate being able to reduce manufacturing, purchasing and product costs by a total of SEK 2.5 billion on an annual basis as of 2015. Additional positive effects include increasing the leverage of product development.

However, what continues to be the most important factor for us is, naturally, how successful we are at developing new products that consumers want and are willing to pay a premium for. For example, the successful launch of new innovative products in the US in recent years has strengthened our position in the higher price segments and has raised our profitability, despite a weak underlying market.

When demand in the US gains real momentum, consumption of premium products will increase, thus generating strong leverage for sales of Electrolux products.

We are also strengthening our position in the European premium market. Our first task is to reposition the AEG brand by launching new products in a number of the Central European markets, and we will continue to introduce Electrolux-branded appliances in the premium segment throughout Europe. We will also continue to launch new products within our floor-care operation. The most recent example of this was our successful range of green vacuum cleaners.





I am especially pleased with achieving this high operating margin in a year marked by relatively difficult conditions. The increase in our profitability was mainly attributable to our own efforts.

Hans Stråberg

On the economy – and above all the historical downturn in demand in the US and Europe.

▶ **(Hans)**

From its peak in 2006, the US market has fallen by 25%, and sales volumes are currently back at the levels observed in 1998. The European market was also unusually weak in recent years. We have seen a clear trend in consumer behavior take shape. Consumers move down the price segments, favoring less expensive products as long as the economic uncertainty prevailed. In parallel, we have observed a growing need among an increasing number of households to replace old products with new models. The typical life span of an appliance is between 10 and 12 years, and as the current size of the US market is on 1998 levels we can expect that growth will be driven by replacement.

▶ **(Keith)**

But to get consumers in the US to upgrade, they need to believe that the future looks promising. This in turn would strengthen the real-estate market and encourage people to start renovating their homes again. Various rebate programs, such as last year's Cash for Appliances in the US, are also driving demand. However, it is imperative that these types of programs are suitably formulated and sustainable, otherwise they risk generating some kind of accordian effect with a resulting decline in demand and large unsold stock in the industry. This would benefit no one – neither manufacturer nor consumer.

On trends – and on which is the most significant and strongest of them all.

▶ **(Hans)**

Of all the trends that have driven demand in recent years, the growing environ-

mental awareness of consumers has been one of the strongest. This has naturally benefited a company such as Electrolux, with its focus on continuous improvement of the energy and water efficiency of products. We have taken a leading position in this area.

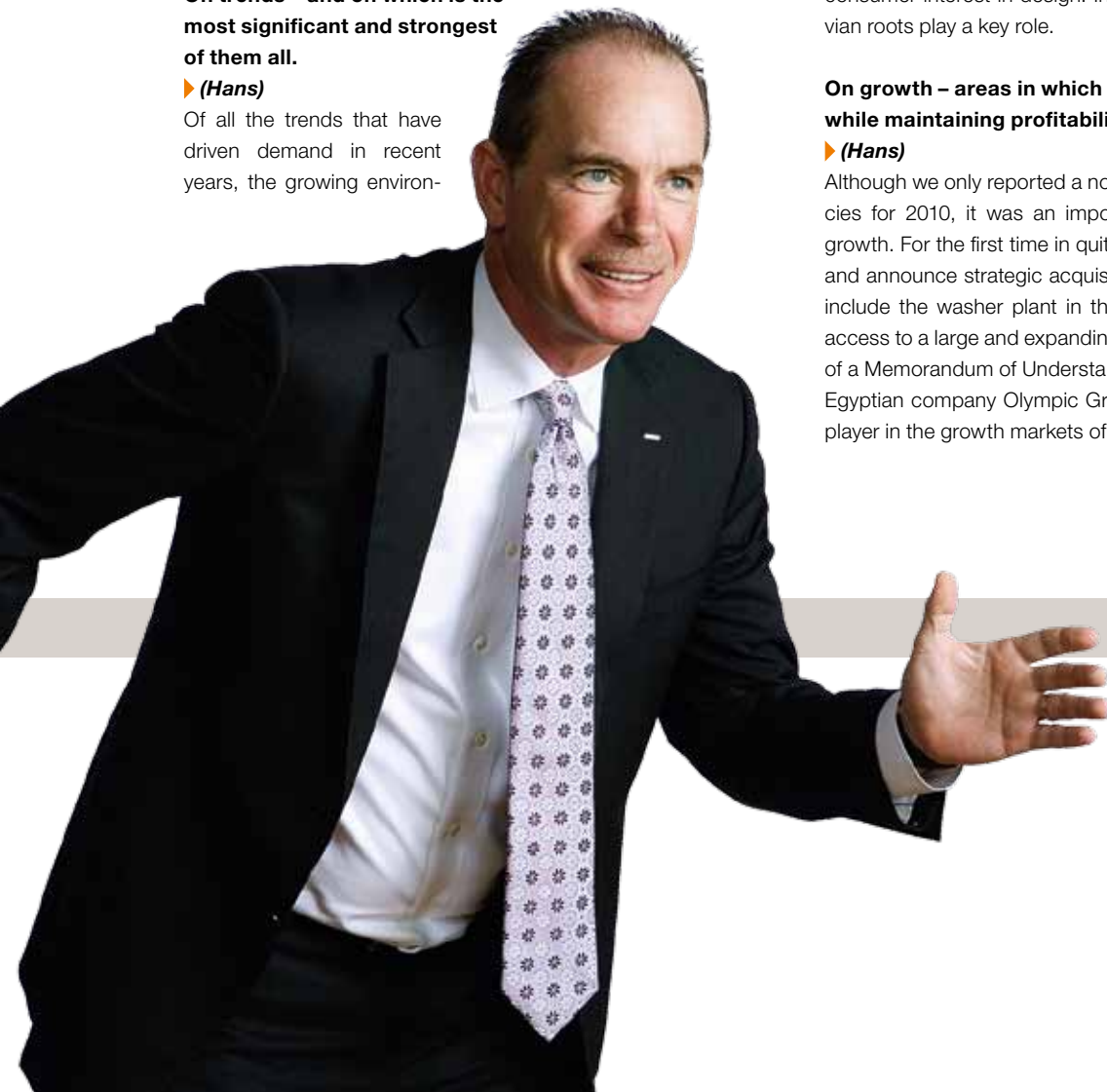
▶ **(Keith)**

And our status as leader is important, since this trend will become more prevalent in the years to come, across the globe. Our position at the cutting edge of development is highly significant for our potential to grow successfully. We also have the resources to further improve our product development, allowing us to more rapidly launch new products that solve consumer problems, such as water shortages and high electricity costs. We are also leading the debate in the area, most recently with our highly acclaimed PR campaign Vac from the Sea, which drew attention to the pollution of our seas and linked it to the shortage of recycled plastic. Another trend that Electrolux can derive a great deal of benefit from is the increasing consumer interest in design. In this regard, the Group's Scandinavian roots play a key role.

On growth – areas in which and how Electrolux can grow while maintaining profitability.

▶ **(Hans)**

Although we only reported a nominal growth in comparable currencies for 2010, it was an important year from the perspective of growth. For the first time in quite a while, we were able to complete and announce strategic acquisitions in key growth markets. These include the washer plant in the Ukraine, providing us with better access to a large and expanding market in the east, and the signing of a Memorandum of Understanding covering the acquisition of the Egyptian company Olympic Group, making Electrolux a significant player in the growth markets of North Africa and the Middle East.



“

We have a solid platform with a clear and definite direction; to use consumer insight as a base for developing innovative products, strong brands and first-class service, supported by global operational excellence.

Keith McLoughlin
President and CEO



> 4% GROWTH

► **(Keith)**

Accelerating our growth is a prioritized task moving forward. Our focus is on leveraging organic growth in rapidly expanding markets, supplemented with selective acquisitions. The acquisitions in the Ukraine and Egypt will also enable us to expand more rapidly in these markets with our existing offering. In simple terms, we view acquisitions as an effective way of boosting our organic growth. The acquisition of Olympic Group is fully in line with our growth strategy, but given the recent events in the region, we have currently, in agreement with our partner The Olympic Group, decided to temporarily put things on hold until stability resumes.

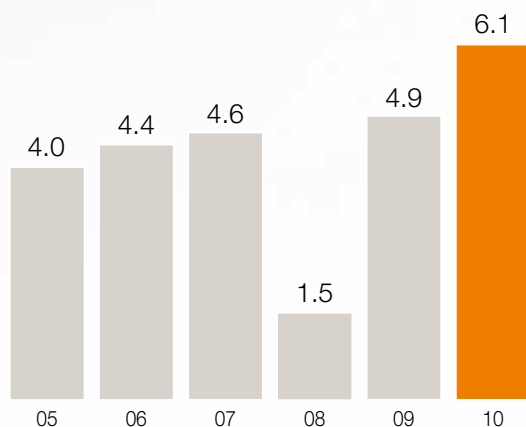
If we succeed in leveraging the organic growth and combine this with acquisitions, our sales from growth markets should increase to about 50% of total sales in a five-year period. If we want to grow more rapidly, we must expand our current presence in these markets. The world map is being redrawn, and this is happening at a rapid pace. Nevertheless, it is naturally important that our expansion takes place with maintained profitability and attractive returns, regardless of whether it is generated organically or through acquisitions.

► **(Hans)**

We have a number of good examples of how we have succeeded with this in the past. Our operation in Brazil is one of these. We acquired Refripar in 1996 and, following an initial transformation period that lasted a few years, our sales in Brazil have increased by an annual average of about 20% since 1999. We are now one of the largest in this rapidly growing and important market and can apply the same strategy in other markets in Latin America.

► **(Keith)**

Because we are a global company – present in over 150 countries – with global platforms for product development, manufacturing and purchasing, we have the capacity to swiftly adapt to new operations and markets. This is a major advantage compared with many of our competitors, and we must now ensure that we are even better at capitalizing on this.



Operating margin, %

On strong finances – their significance to the generation of higher growth and facilitating the Electrolux ability to continue to pursue shareholder value.

► **(Hans)**

We have been able to create substantial shareholder value. We have pursued a shareholder-friendly strategy without endangering our finances. Our intensive efforts in recent years to reduce working capital and strengthen cash flow have allowed us to now focus on both faster growth and a continued high dividend level. Over the past ten years, we have generated an average total return for shareholders of about 26% per year, compared with about 11% for the Stockholm Exchange.

► **(Keith)**

The goal of our focus on profitable growth is to generate a favorable return. We achieved three of our four financial goals in 2010, the exception being the growth goal. Our achievement of a return of equity of about 25% is a confirmation of our success in combining strong operating income with effective capital turnover. The actions we are now taking will also enable us to generate the growth that is needed, while retaining profitability.

On working at Electrolux – as President, among other positions.

► **(Hans)**

I have enjoyed 27 fantastic years at Electrolux, the past nine of which in the position of President and CEO. It has been both a privilege and a challenge to lead the forceful but entirely necessary transformation of Electrolux from a manufacturing-driven to a consumer-focused company. It is also gratifying to step down from the position as President and CEO and hand over the baton to somebody who already has a long and solid background in the organization. I have every confidence that you will perform this task well, Keith.

► **(Keith)**

Thank you, Hans. I think we both agree that the Electrolux strategy is an effective one. I approach this assignment with great humility. Much work has already been done; we must now capitalize on this, while also further sharpening the strategy. Certainly, many challenges lie ahead, but we have a solid platform with a clear and definite direction; to use consumer insight as a base for developing innovative products, strong brands and first-class service, supported by global operational excellence.

Stockholm, February 2011

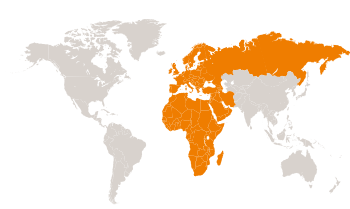
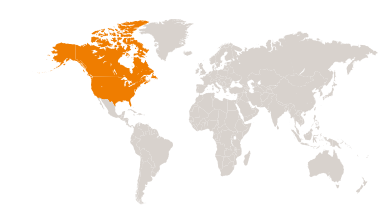
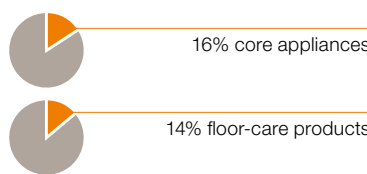
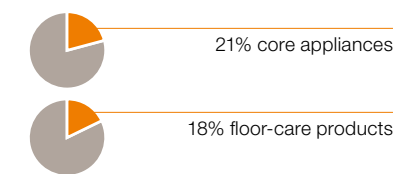


Hans Stråberg, President and Chief Executive Officer of AB Electrolux during 2002–2010.


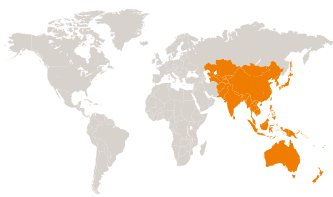
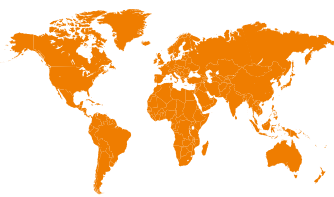
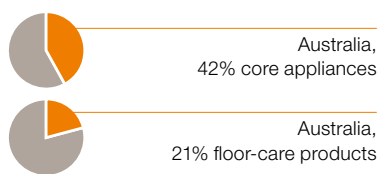
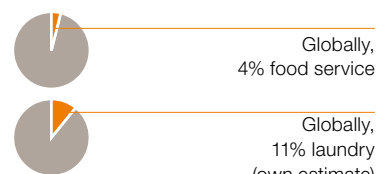
The World of Electrolux

CONSUMER DURABLES

Customer needs and functional preferences for products are becoming increasingly global. However, there are structural differences between the markets in which Electrolux operates. What distinguishes these markets, and what is driving growth? What does Electrolux focus on?

	EUROPE, MIDDLE EAST AND AFRICA	NORTH AMERICA
		
Value of appliances market, SEK billion	205	180
Market characteristics	<ul style="list-style-type: none"> • Complex market with different brands in different countries with different consumer patterns. • Low level of consolidation among manufacturers. 	<ul style="list-style-type: none"> • Similar consumer patterns across the market. • High level of consolidation among producers and retailers.
Share of Electrolux sales	38%	
Drivers	<ul style="list-style-type: none"> • Replacement. • New housing and renovations. • Design. • Energy- and water-efficient products. • Improved household purchasing power in Eastern Europe. 	<ul style="list-style-type: none"> • Replacement. • New housing and renovations. • Design. • Energy- and water-efficient products.
Market growth	<ul style="list-style-type: none"> • Total demand in the European markets stabilized in 2010 and increased by 2%, after more than two years of decline. 	<ul style="list-style-type: none"> • The demand increased by 5%. The growth derives from a very low level after more than three years of decline.
Distribution channels	<ul style="list-style-type: none"> • Many small, local and independent retailers. • Growing share of sales through kitchen specialists. 	<ul style="list-style-type: none"> • High level of consolidation among retailers. • Kitchen specialists such as those in Europe account for only a small share of the market. • The four largest retailers account for 60% of the market.
Electrolux organic growth strategy	<ul style="list-style-type: none"> • Grow in specific categories, e.g., built-in products. • Grow in specific markets, particularly in Eastern Europe. • Promote water- and energy-efficient products. • Expand product offering. 	<ul style="list-style-type: none"> • Gain a strong, long-term position in the profitable premium segment. • Channel expansion. • Expand product offering. • Promote water- and energy-efficient products.
Electrolux market share	 <p>16% core appliances</p> <p>14% floor-care products</p>	 <p>21% core appliances</p> <p>18% floor-care products</p>
Major competitors	<ul style="list-style-type: none"> • Appliances Bosch-Siemens, Indesit, Whirlpool. • Vacuum cleaners Dyson, Miele, Bosch-Siemens, TTI Group. 	<ul style="list-style-type: none"> • Appliances Whirlpool, General Electric, LG, Samsung. • Vacuum cleaners TTI Group (Dirt Devil, Vax and Hoover), Dyson, Bissel.

PROFESSIONAL PRODUCTS

LATIN AMERICA	ASIA/PACIFIC	PROFESSIONAL PRODUCTS	
			
93	375	136	
<ul style="list-style-type: none"> Majority of production is domestic due to high import tariffs and logistic costs. Relatively high level of consolidation among producers. 	<ul style="list-style-type: none"> No clear market leader in the region. Southeast Asian consumers find European brands appealing, but their market shares are still small. 	<ul style="list-style-type: none"> Food service Half of all equipment is sold in North America. The European market is dominated by many small independent restaurants. Laundry Five largest producers represent approximately 55% of the global market. 	
32%	16%	8%	6%
<ul style="list-style-type: none"> Improved household purchasing power. Growing middle class. 	<ul style="list-style-type: none"> Asia Improved household purchasing power. Growing middle class. Australia Replacement, new housing and renovations. Design. Water-efficient products. 	<ul style="list-style-type: none"> Food service Energy- and water-efficient products. US restaurant chains expanding. Laundry Replacement. Energy- and water-efficient products. Growing population. 	
<ul style="list-style-type: none"> Strong growth in demand. 	<ul style="list-style-type: none"> Market demand for appliances in Australia declined. Market demand in Southeast Asia and China showed a considerable increase. 	<ul style="list-style-type: none"> Demand is estimated to have increased somewhat. 	
<ul style="list-style-type: none"> Relatively high level of consolidation among retailers. The three largest producers in Brazil accounted for approximately 75% of household appliances sales. 	<ul style="list-style-type: none"> Asia Majority of sales through small, local stores. In urban areas, a large proportion of appliances is sold through department stores, superstores and retail chains. Australia Five large retail chains account for approximately 90% of the market. 	<ul style="list-style-type: none"> Food service High consolidation of dealers in North America. Fragmented market in Europe. Laundry Great proportion of direct sales although the trend is towards a growing share of sales through dealers. 	
<ul style="list-style-type: none"> Grow in markets outside Brazil, such as Argentina and Mexico. Strengthen the position in the premium segment in Brazil. Expand product offering. 	<ul style="list-style-type: none"> Grow in the premium segment. Promote water- and energy-efficient products. Grow in Southeast Asia. Expand product offering. 	<ul style="list-style-type: none"> Food service Promote energy- and water-efficient products. Tailor products for fast-food chains. Laundry Promote energy- and water-efficient products. 	
<p>2nd largest producer of appliances in Brazil, and largest in vacuum cleaners.</p>			
<ul style="list-style-type: none"> Appliances Whirlpool, Mabe. Vacuum cleaners SEB Group, Whirlpool, Black&Decker, Philips. 	<ul style="list-style-type: none"> Appliances Fischer & Paykel, Samsung, LG, Haier. Vacuum cleaners Samsung, LG, Dyson. 	<ul style="list-style-type: none"> Food service Rational Manitowoc/ Enodis, Middleby, Ali Group. Laundry Alliance, Primus, Girbau, Miele. 	

Operations

“Thinking of you” expresses the Electrolux offering: To maintain continuous focus on the consumer, whether it is product development, design, production, marketing, logistics or service. Electrolux achieves profitable growth by offering products and services that are preferred by consumers, that benefit people as well as the environment, and for which customers are prepared to pay higher prices. Innovative products, lower costs and a strong Electrolux brand create a foundation for improving Group profitability.

Product categories

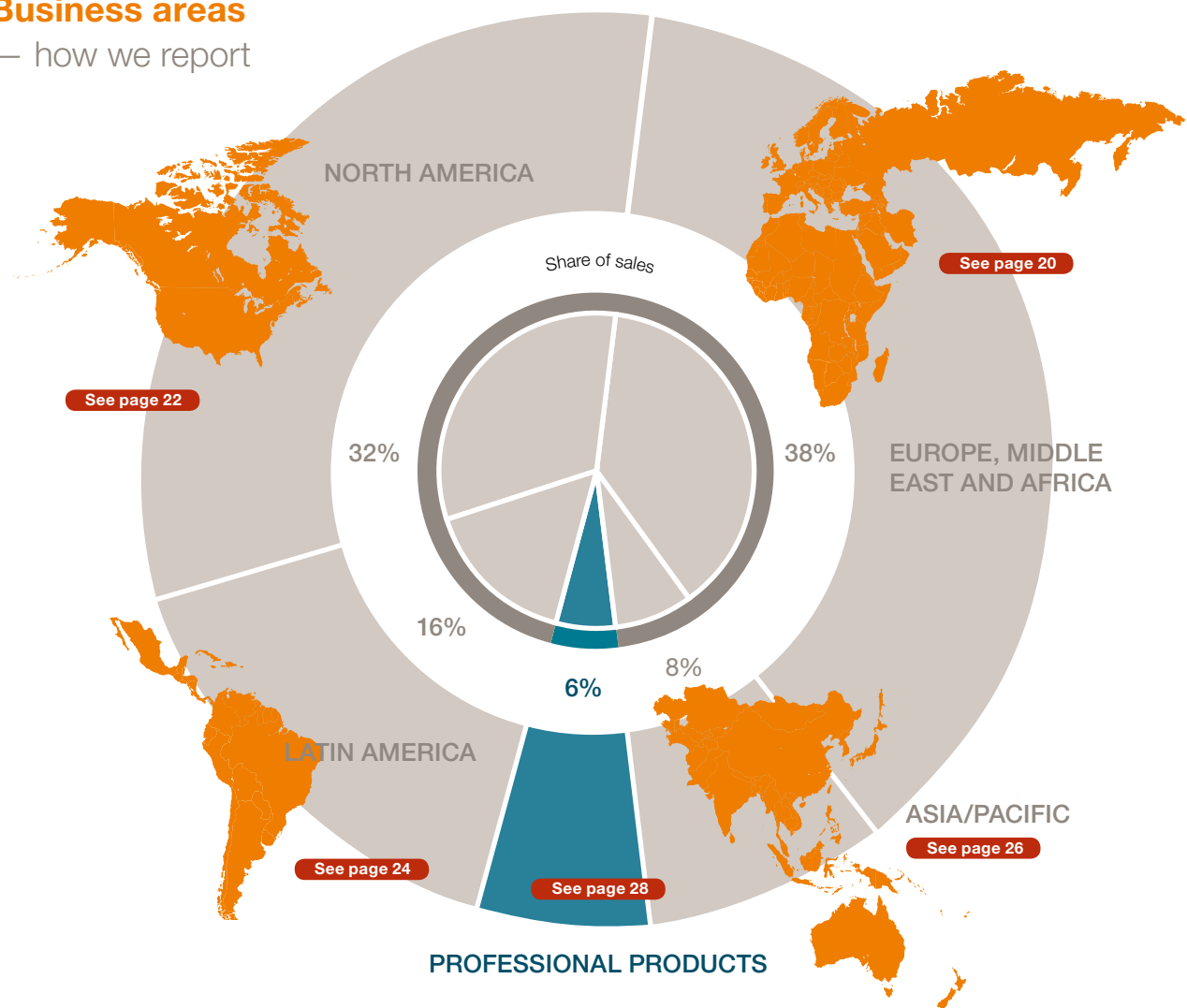
— what we sell



In 2010, Electrolux sold more than **40 million products**. Almost half of these were sold under the global Electrolux brand. Consumer Durables comprises products for kitchens, fabric care and cleaning. Professional Products comprises corresponding products for professional users, e.g., industrial kitchens, restaurants and laundries.

Business areas

— how we report



The Group's products are sold in more than **150 markets**. The largest of these are in Europe and North America. Operations are organized in five business areas. Consumer Durables consists of four regional business areas, while Professional Products is a single global business area.

■ CONSUMER DURABLES, 94%
 ■ PROFESSIONAL PRODUCTS, 6%

Consumer Durables

Electrolux sells innovative appliances and vacuum cleaners to consumers worldwide. A large proportion of household appliances are sold under the global Electrolux brand, and the Group commands a leading position as a provider of some of the most energy-efficient alternatives in the market.

A market with long-term drivers ...

Despite many countries having relatively weak markets in recent years, the long-term driving forces in the household appliances market remain in place. Households replace old products with new products, they renovate their homes and market penetration is increasing, especially in emerging markets.

... and increased interest in the home.

Households spend an increasing proportion of their income on the home, in particular on the kitchen. As a result of lifestyle changes, consumers are demanding products that simplify their lives and make cooking and storing food more wholesome. Moreover, the rate of innovation in the industry, in the form of new functions and new designs, is leading consumers to replace their old household appliances at an ever-increasing rate. A growing number of consumers also aspire to cook like the professionals and demand products similar to those found in restaurants, such as open kitchens and appliances used by the best chefs.

Rapid urbanization ...

More people already live in urban environments than in rural environments. This trend of people choosing to live in an urban environment is developing rapidly, particularly in emerging markets, but also in the more developed Western economies. According to the United Nations, the number of people residing in the world's cities will

increase by one billion by 2025, and then to approximately 75% of the world's population by 2050.

... that requires compact solutions ...

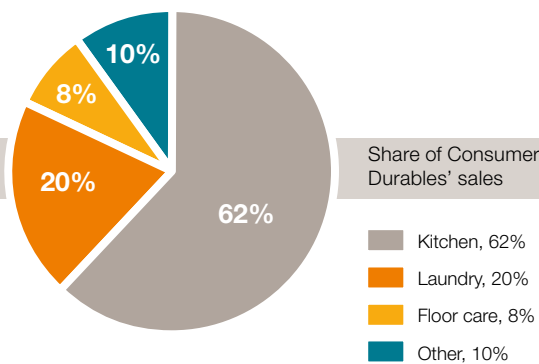
Rapid urbanization means less space to live in. This in turn requires homes that feature a flexible and basic design. The need is increasing for flexible, compact household appliances that can be easily integrated into the rest of the home environment.

... for a growing middle class ...

The global middle class is rapidly expanding. An increasing number of consumers in emerging markets are able to afford such items as a refrigerator, a washing machine or air-conditioning equipment. According to the United Nations, the number of people with an annual income of between USD 6,000 and 30,000 is growing by approximately 70 million annually. Over the next ten years, this group of affluent middle-class people is expected to grow by 40%, or by approximately one billion people.

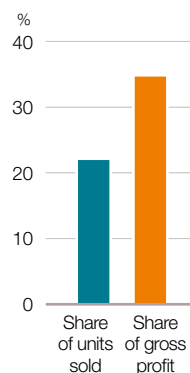
... and more efficient products.

A growing, affluent middle class, increasingly concentrated to urban areas, is resulting in greater demands for more efficient use of the world's resources. Improved methods are needed for dealing with household waste and the importance of energy- and water-efficient products is rising. Energy consumption is set to double by the year 2050 and already within 15 years, two-thirds of the world's population will live in areas with limited supplies of water. New technology is required to meet these challenges.



Electrolux household appliances command a strong position among the most energy-efficient products in the market. Kitchen appliances account for more than half of sales.

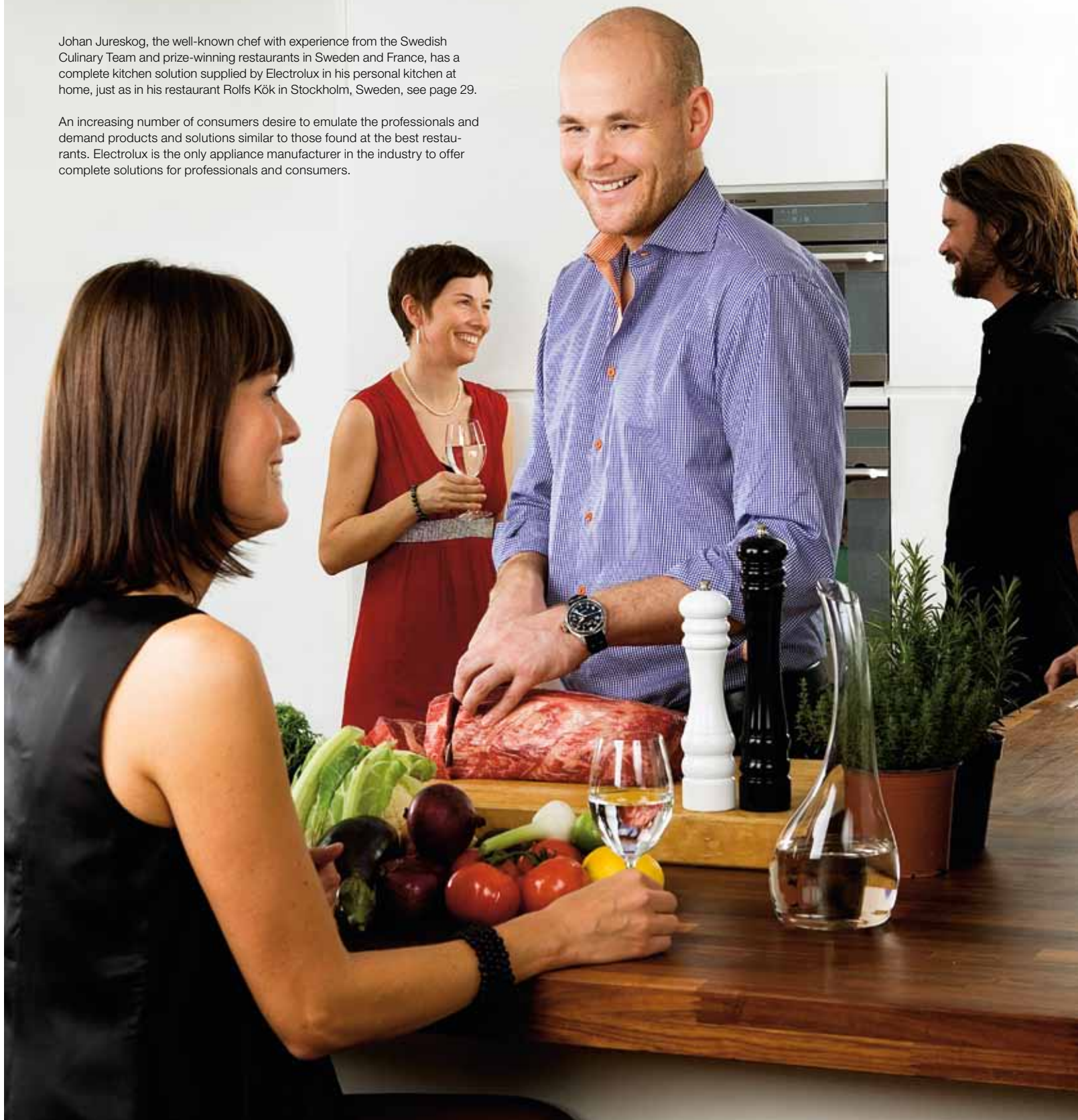
Profitable green products – Electrolux Green Range



Electrolux invests in product development to realize the innovations that enable households to live in a sustainable manner, from both an environmental and a social viewpoint. Electrolux Green Range, the Group's consumer durables with best environmental performance, accounted for approximately 22% of total sold units and 35% of gross profit in 2010.

Johan Jureskog, the well-known chef with experience from the Swedish Culinary Team and prize-winning restaurants in Sweden and France, has a complete kitchen solution supplied by Electrolux in his personal kitchen at home, just as in his restaurant Rolfs Kök in Stockholm, Sweden, see page 29.

An increasing number of consumers desire to emulate the professionals and demand products and solutions similar to those found at the best restaurants. Electrolux is the only appliance manufacturer in the industry to offer complete solutions for professionals and consumers.



Examples of innovative products in Consumer Durables

Torino coffee machine



Mini power mix



Inspiro oven



Ergorapido vacuum cleaner



Kitchen products

Kitchen appliances account for more than half of Group sales. Electrolux aims to produce competitive products that satisfy global needs and are adaptable to regional variations.

Consumer trends

The actual method used to prepare food is what sets consumers apart in the various areas of the world. However, the need for various functions and features of kitchen products is very much the same irrespective of location in the world. Aside from energy efficiency, consumers want quiet kitchen appliances that are user-friendly. Individual solutions and attractive design are important, since the products should reflect the personalities and values of their owners and must match other appliances in the kitchen. Although consumers are devoting increasingly less time to preparing food on weekdays, interest is increasing in more advanced leisure and gourmet cooking, while interest in health and well-being is growing rapidly. Consumers demand appliances that preserve the nutritional value and freshness of food before, during and after preparation.

The market

Built-in kitchen appliances are becoming increasingly popular worldwide and this trend is particularly strong in Europe, the Middle East, Southeast Asia and Australia. Built-in appliances are primarily sold by kitchen specialists, thus enabling kitchen cabinets and appliances to achieve an integrated harmonious look. Built-in appliances normally generate higher profitability than free-standing appliances.

The market for dishwashers has considerable growth potential. Less than half of European households own a dishwasher, due, in part, to the misconception that dishwashers consume large quantities of water. In Brazil, only 2% of households own a dishwasher.

Electrolux kitchen products

Market position

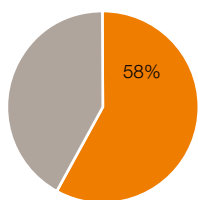
Electrolux kitchen appliances account for more than half of Group sales and command a strong position among the most energy-efficient products in the market. In recent years, Electrolux has consolidated its position in the built-in appliances sector through new business partnerships with leading kitchen specialists. At the end of 2010, new, innovative built-in appliances were launched in parts of the important European market.

Electrolux is committed to developing competitive products that fulfill global needs and can be tailored to suit regional differences, including design preferences and electrical standards.

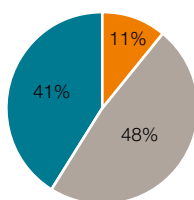
Brands

Approximately 60% of Group sales in Europe are under the Electrolux brand, including double branding. The Group's other major European brands include AEG and Zanussi. In North America, the Electrolux brand is used for appliances in the premium segment and the Frigidaire brand for appliances in the mass-market segment. In Latin America and Asia, the majority of products are sold under the Electrolux brand. The Group's most important brands in Australia include Electrolux, Westinghouse and Simpson. Electrolux also produces appliances that are sold by retail chains under their own brands.

Kitchen products' share of Group sales

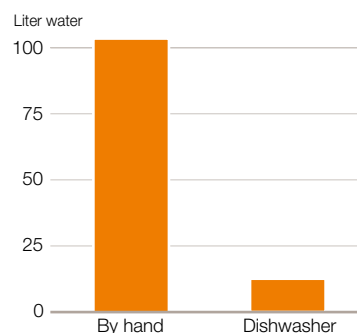


Product categories of kitchen products



- Dish
- Cold (refrigerators, freezers)
- Hot (cookers, hobs, ovens)

Water- and energy efficient dishwashers



103 liters of water, is the average amount of water used by a consumer doing the equivalent amount of washing-up by hand as one full dishwasher load according to a study from the University of Bonn in Germany. If a modern, water-efficient dishwasher from Electrolux is used instead, the consumer would only use 12 liters of water to clean the same amount of dishes. The new dishwashers from Electrolux consume only 1 kWh per washing cycle.

CAMPAIGN INFINITY I-KITCHEN

In 2009, Electrolux utilized extensive consumer insight and launched the first version of the Infinity refrigerator in Brazil. This represented the largest top-mounted refrigerator in the market and featured unique functions and storage spaces. Infinity has been a great sales success and new versions are constantly being released. The latest is the Infinity i-Kitchen that meets new consumer needs.



The Infinity i-Kitchen is equipped with a full touch-screen enabling users to download 600 recipes for everything from cocktails to appetizers. The recipes have been created and tested by Brazil's largest women's magazine, *Claudia Magazine*.



The refrigerator contains functions and space that simplify use.



Electrolux has built a close collaboration with Brazil's largest publishing group, Abril SA, which owns *Claudia Magazine*. The collaboration has led to the focus of extensive media attention on the Infinity i-Kitchen, which has driven the launch.



Articles about Infinity i-Kitchen have been published on more than 70 different media channels and reached over 15 million readers. Additionally, various technology blogs have reported on the special applications of the refrigerator.

Refrigerators and freezers

Simpler refrigerators and freezers are exposed to intense competition and have relatively low profit margins. However, innovative products, including frost-free freezers, are showing strong growth and profitability. Electrolux is developing new functions and energy-saving storage solutions that fulfill the needs of consumers.

Reducing the amount of food that is unnecessarily discarded requires refrigerators that can preserve the freshness of produce for a long time. Electrolux has developed a new technology that ensures that fresh produce retains nutritional value, taste and aroma irrespective of the external climate.

The energy consumption during use of large kitchen appliances including refrigerators accounts for more than 80% of their total environmental impact. Lower energy consumption reduces the total cost for the consumer. The most efficient refrigerators and freezers from Electrolux currently consume 65% less energy than standard refrigerators launched 15 years ago.

Cookers, ovens and hobs

Cookers, ovens and hobs are the Group's strongest and most profitable segments in kitchen products. Their technical advancement increases the opportunities for differentiation.

Innovation is a strong driver for growth in these product categories and Electrolux has developed a range of new functions that facilitate food preparation. The Electrolux Inspiro is an oven that utilizes sensors to identify the volume of the food being prepared and thereafter determines the best cooking method and temperature as well as the optimum position in the oven. When the food is ready, the oven turns itself off.

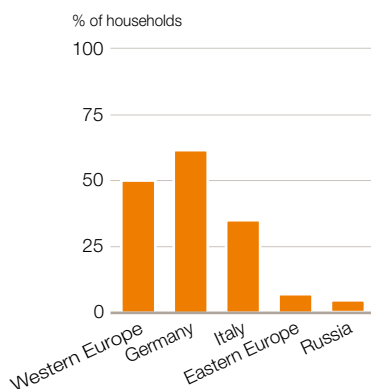
Steam ovens have long been used in professional kitchens simply because they make food that much tastier. Steam-cooking preserves the natural flavors and colors, as well as the vitamins and minerals contained in the food. In Europe, Electrolux has launched steam ovens for home use with great success.

Induction hobs are another segment that is growing rapidly, due primarily to their speed and energy efficiency. As one of the first companies in this category, Electrolux commands a strong position. Induction hobs have been sold in Europe in more than 10 years. In the US, Electrolux launched the first induction hobs in the market in 2008.

Dishwashers

Electrolux produces water- and energy-efficient dishwashers for large and small households. Low noise levels, customized dishwashing programs and effective baskets are among the needs met by Electrolux. The new dishwashers, Electrolux RealLife® and AEG-Electrolux Proclean, provide large amounts of space and movable baskets that suit all kinds of items. The Energy Saver button on every new dishwasher from Electrolux enables energy consumption to be reduced by up to 25%. The development of new, water-efficient dishwashers has progressed rapidly at Electrolux.

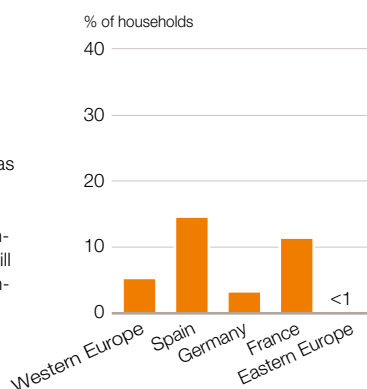
Low penetration for dishwashers



The market for dishwashers has a strong potential for growth. Less than half of the households in Europe own dishwashers, partly because they are still erroneously considered to consume large volumes of water.

Source: Electrolux estimate.

Growth potential for induction hobs



Induction hobs represent one of the most rapid and efficient methods of preparing food. As a pioneer of the segment, Electrolux commands a strong position. Induction hobs may still be unusual in households, but the segment is showing strong growth.

Source: Electrolux estimate.

In November 2010, an extensive launch of new, innovative appliances in Germany and Austria was initiated to strengthen and differentiate the AEG brand. The Neue Kollektion product range represents a more human brand and stronger design that utilizes only steel and glass. New intuitive controls make the products easier to use.



Perfect in form
and function



Laundry products

Electrolux is a leading manufacturer of energy- and water-efficient laundry products, including washing machines, tumble-dryers, washer-dryers and ironing equipment. The Group has its largest global market share in the front-loaded washing-machine segment.

Consumer trends

The performance of laundry products continues to advance rapidly. On the whole, consumers are satisfied with the results obtained from washing machines and tumble-dryers, but would like to see appliances that are faster, quieter and more energy-efficient, and that facilitate laundry handling. Greater laundry capacity is in demand even though households are becoming smaller and washing machines are being run at half-load as criteria for cleanliness become more rigorous. Tumble-dryers are often purchased together with the washing machine to achieve as consistent a design theme as possible in the laundry room.

The market

Washing machines are either top- or front-loaded. Top-loaded washing machines have traditionally dominated the North American, Southeast Asian and Australian markets, but demand for front-loaded units is growing. Front-loaded machines consume less water and energy during a washing cycle, have greater capacity and provide better results. Households still choose top-loaded units in preference to front-loaded machines, but this is mainly due to tradition. Surveys in Canada show that replacing an existing top-loaded washing machine with a new front-loaded washing machine with the best energy rating would save the average household 70,000 liters of water per year.

Consumer demand for greater capacity is apparent in all regions and for all product categories, but as an average load of washing weighs 3–4 kg, the foremost requirement is for new washing machines that can adapt programs and energy consumption to the amount of washing.

Electrolux laundry products

Market position

Electrolux holds a strong global position in laundry products, with the largest market share being for front-loaded washing machines.

Electrolux is also one of the leading manufacturers of energy- and water-efficient laundry products. Electrolux was the first company to develop a tumble-dryer that met Europe's highest energy classification, Class A, with the AEG-Electrolux Sensidry.

Brands

In Europe, the Group's laundry products are sold mainly under the Electrolux, AEG and Zanussi brands. In Asia and Latin America, the main brand is Electrolux. In North America, Frigidaire-branded products are sold in the low-price segments and mass market, and Electrolux-branded products in the premium segment. In Australia, laundry products are mainly sold under the Electrolux and Simpson brands.

Innovation

Electrolux continues to develop new functions for washing machines and tumble-dryers that provide superior washing results, lower energy consumption and easier laundry handling. Electrolux has also designed compact washing machines and tumble-dryers that have sufficient capacity to meet the needs of smaller households.

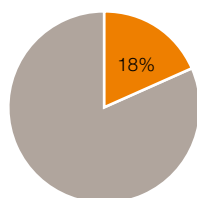
ECO-valve is an advanced technology that adapts washing programs as well as energy and water consumption to the amount of laundry.

In Europe, the majority of new washing machines from Electrolux conform to energy class A-20%. This classification means they have a level of energy consumption that is 20% less than energy class A.

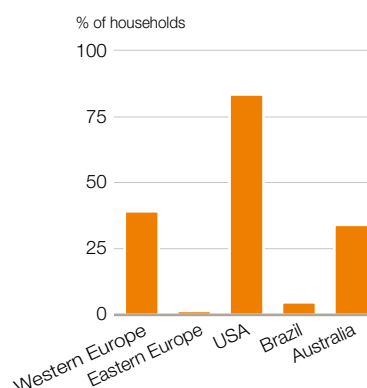
Electrolux has developed a tumble-dryer that utilizes heat-pump technology to achieve a performance that is 30% more energy efficient than the threshold value for low-energy class A. If it replaces the average ten-year-old tumble-dryer, energy consumption can be reduced by up to 65%.

Just as for professional users, Electrolux has produced a combined washing machine and tumble-dryer that can wash and dry up to 6 kg of laundry.

Laundry products, share of Group sales



Penetration, tumble-dryers



The access level to tumble-dryers is low and much dependent on the continent. Nine out of ten US consumers who choose Electrolux-branded washing machines buy washing machines and tumble-dryers at the same time.

Source: Electrolux estimate.

CAMPAIGN ELECTROLUX LAUNDRY

In 2008, the Group launched new laundry and kitchen products in the premium segment in North America, positioning Electrolux as an innovative and sustainable brand in a substantial and important market. The laundry products offer several key consumer benefits including greater capacity, faster washing and drying cycles, and lower energy and water consumption.



electroluxappliances.com provides consumers with the opportunity to look more closely at the functions of the products in an interactive environment.

The Electrolux strategy of using brand ambassadors for marketing has proved successful in North America. Kelly Ripa, a well-known television personality, is ambassador for the Electrolux brand and the actress Jennifer Garner for the Frigidaire brand.

The products are sold all over North America via independent retailers of household appliances and through the large chains, including Best Buy, Lowe's and Sears. In 2010, several marketing campaigns were conducted that emphasized the products' unique functions and low energy consumption.

Larger, faster, better



Floor-care products and small appliances

Demand is increasing for green vacuum cleaners. Electrolux has developed energy-efficient models manufactured from recycled material. In autumn 2010, a completely new series of green vacuum cleaners was launched in Europe.

Consumer trends

The trends for floor-care products have been largely unchanged in recent years. Consumers prefer user-friendly vacuum cleaners that feature powerful suction and low levels of noise. The growing number of small households is generating a greater need for compact, efficient vacuum cleaners with an aesthetically pleasing design that enables them to be left on show. A growing trend is to have more than one vacuum cleaner in the home. One cordless – often battery powered – smaller vacuum cleaner for daily and isolated use and one larger more powerful model for use when the entire home is to be vacuumed.

Although energy labeling has yet to start for vacuum cleaners, demand is growing for energy-efficient products.

The market

Vacuum cleaners are products that can be transported long distances as the transport cost per item is relatively low. Globalization of the vacuum-cleaner industry has thus progressed further than for kitchen and laundry products, and the majority of vacuum cleaners are currently manufactured in low-cost areas. Although the latest economic downturn resulted in downward price pressure in Western markets, the strongest growth in the last decade has been in vacuum cleaners with innovative functions at higher prices. Attractively designed, rechargeable, handheld vacuum cleaners have displayed substantial growth. The market for bagless vacuum cleaners has also grown. In emerging markets, demand is driven by rising income levels and more stringent hygiene standards.

Electrolux floor-care products

Market position

Electrolux is one of the leading producers of floor-care products in the world and one of few with a global distribution network. The category in focus is innovative, energy-efficient vacuum cleaners in the premium segment. The largest markets are North America and

Europe. All Electrolux vacuum cleaners are manufactured in low-cost countries. Although there are regional variations in the design of vacuum cleaners, their functions are equally important the world over. As one of the only global producers of vacuum cleaners, Electrolux can focus on global product development.

Brands

The Eureka brand accounts for the largest proportion of the Group's vacuum cleaner sales in North America. More innovative and exclusive vacuum cleaners are sold under the Electrolux brand. The Electrolux brand dominates the European market and is supplemented by brands including Volta, Tornado, Progress and Zanussi in the lower price segments. In Asia and Latin America, all Group vacuum cleaners are sold under the Electrolux brand.

Innovations

Electrolux continues to innovate and develop products with attractive design for which consumers are prepared to pay a premium.

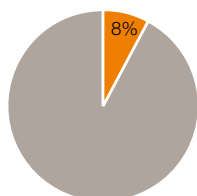
Electrolux UltraOne, which features a powerful motor combined with a low noise level and energy efficiency, has proven to be a winning concept. Since its launch in 2009, the vacuum cleaner has, in no less than ten independent tests in various markets worldwide, been named the market's best vacuum cleaner.

At 68 dB, the Electrolux UltraSilencer is the quietest vacuum cleaner in the market due to its patent-pending Silent Air Technology. The noise level is only one tenth of the noise level of an average vacuum cleaner.

Small household appliances

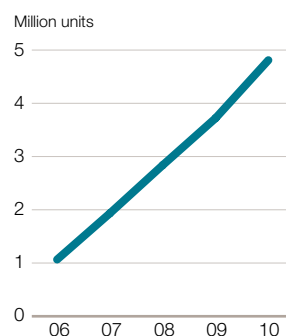
Small household appliances comprise a growing market segment that includes several product categories. In this segment, Electrolux focuses on growth for kitchen and laundry articles with a global range of products in the coffee machine, toaster, food processor and iron categories.

Floor-care products, share of Group sales



Sales of floor-care products account for 8% of Group sales. Small appliances, such as toasters, coffee machines and irons, account for approximately 10% of sales within floor-care operations.

Accumulated sales volumes of cleaner Electrolux Ergorapido



The cordless, rechargeable, handheld Electrolux Ergorapido vacuum cleaner has been a great success with close to 5 million units sold around the world since its launch in 2004. New versions are continually being launched and in 2010 Ergorapido was introduced in Japan.

CAMPAIGN GREEN RANGE

In the Vac from the Sea campaign, Electrolux is raising awareness about plastic waste in the ocean – plastic that could instead be re-used for more sustainable products. It also forms part of the marketing strategy of the Electrolux Green Range of vacuum cleaners.



In 2010, the Vac from the Sea campaign home page was the second most visited page of all Electrolux web sites. Vac from the Sea is also possible to follow on facebook and twitter.

The Vac from the Sea campaign highlights the vast amounts of plastic waste floating in our oceans, in a world with a shortage of recycled plastic. It has engaged everyone from suppliers to end-users.

Electrolux wants to increase the proportion of recycled plastic in its green vacuum cleaners from a maximum of 70% to close to 100%. Read more on page 58.



Vac from the sea

One of five concept vacuum cleaners made of plastics found in the world's oceans.



A new range of five green vacuum cleaners was launched in autumn 2010. UltraOne Green, UltraSilencer Green, UltraActive Green, ErgoSpace Green and Jetmaxx Green are all constructed of at least 55% recycled plastic, have up to 50% lower energy consumption and are 92% recyclable.

“Switch up to Green”

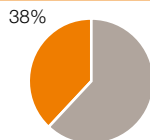


Vacuum cleaners are delivered to customers in packaging made from 100% recycled paper. The s-bag® Green dust bag is constructed out of corn starch.

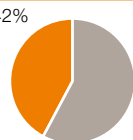
Consumer Durables Europe, Middle East and Africa

During the year, Electrolux continued to strengthen its position in the segment for built-in products through initiatives including the launch of an entirely new series of innovative, energy-efficient products under the AEG brand. Profitability in the region improved through new cost savings and a better mix.

Share of sales 2010



Share of operating income 2010



Operating income for appliances improved considerably, primarily due to a positive mix development. Previous employee reductions and cost-saving measures also positively impacted operating income. Operating income improved substantially for the floor-care operations due to increased sales of premium products.

The market

The European market for household appliances was worth approximately SEK 205 billion in 2010, of which Eastern Europe accounted for about 18%. Demand increased somewhat during the year, although from a low level. The increase was primarily due to stronger growth in Eastern Europe, driven mainly by Russia, and to greater demand in major Western European economies such as Germany and France. Demand for vacuum cleaners increased marginally in most regions and segments.

The market for built-in appliances continued to show strong growth. Interest continued to be strong in energy- and water-efficient appliances.

The diversity of countries that comprise the European market has contributed to a wide variation in consumer behavior and numerous manufacturers, brands and retailers. The European market is a highly complex market in which the low consolidation among manufacturers has led to overcapacity. This has resulted in downward pressure on prices for a considerable time. In recent years, prices have stabilized somewhat.

Retailers

The European market features many small, local and independent retail chains that focus on electrical and electronic products as well as kitchen interiors. Strong organic growth for retailers in recent years has inhibited consolidation. Vacuum cleaners are sold through the same channels as household appliances and through superstores.

Kitchen specialists currently account for approximately 25% of sales of household appliances in Western Europe. The corresponding figure for Germany and Italy is approximately 40%.

Since the proportion of consumers that use the Internet before deciding to make a purchase is growing rapidly, manufacturers' websites are becoming increasingly important as a tool for convincing consumers. The brand must be displayed correctly and consumers provided with the answers they require.

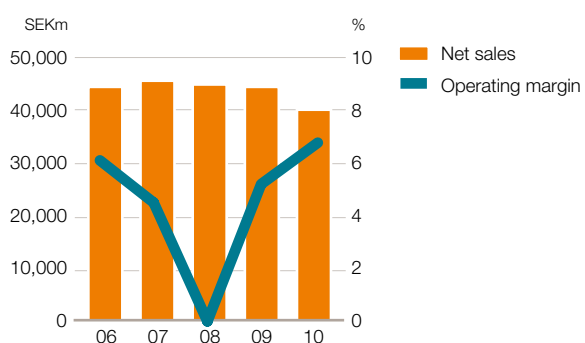
The Group's position

During the year, Electrolux strengthened its position in the built-in segment, primarily in the German market. During the fourth quarter, a completely new range of innovative built-in appliances in the premium segment was launched under the AEG brand in Germany and Austria. The launch continues in other markets in 2011. At the end of the year, a new range of energy-efficient premium vacuum cleaners, manufactured using up to 70% recycled plastic, was launched.

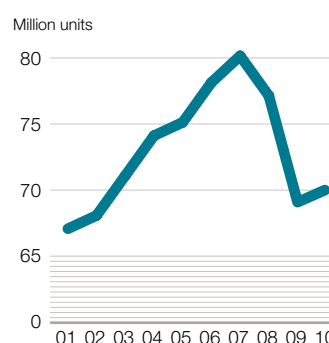
A positive trend in terms of the mix and lower costs due to previous and new cost-cutting measures have contributed to improved operating income.

Eastern Europe accounts for approximately 20% of Group sales of appliances in Europe and about 15% of sales of vacuum cleaners. Lower sales volumes in 2010 were primarily the result of the bankruptcy of the German Quelle chain, one of the Group's largest retail partners, at the end of 2009. In this period, however, sales volumes under the Electrolux brand showed a positive trend and the new partnership with IKEA developed positively.

Net sales and operating margin



Shipments of core appliances in Europe, excl. Turkey



Total demand in the European market stabilized in 2010 and increased by 2%, after more than two years of decline, primarily due to growth in Eastern Europe, where demand increased by 6%.

EUROPE, MIDDLE EAST AND AFRICA

During 2010, a substantial investment in repositioning the AEG brand was conducted in Germany and Austria. Neue Kollektion is an innovative range of built-in and free-standing products that strengthen the brand and differentiate it from other manufacturers in the market. The launch of built-in products started at the end of 2010. Free-standing products will be launched in the first quarter of 2011. The products in the collection contain several new intuitive controls, larger displays and touch screens, and are designed solely in glass and steel.



Glass & steel

Best

Electrolux flagship vacuum cleaner UltraOne was named No. 1 in consumer tests in the Netherlands, Portugal, Italy and France, reinforcing its leading position in Europe. Prior to this, the vacuum cleaner topped a number of independent tests in Denmark, Norway, Sweden, Finland and the Czech Republic. UltraOne has contributed to an improved product mix and higher profitability.



Market shares

- 16% core appliances
- 14% floor-care products



The acquisition of a washing-machine factory in the Ukraine and a declaration of intent to acquire the Egyptian household appliance manufacturer Olympic Group is part of the Electrolux strategy of growth in the emerging markets of Central and Eastern Europe as well as in the Middle East and North Africa.

Acquisition

Markets and competitors

CORE APPLIANCES

Major markets

- Germany
- France
- UK
- Russia

Major competitors

- Bosch-Siemens
- Indesit
- Whirlpool

VACUUM CLEANERS

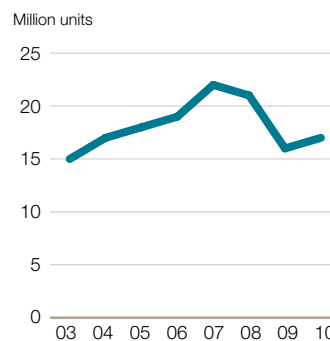
Major markets

- Germany
- France
- UK

Major competitors

- Dyson
- Miele
- Bosch-Siemens
- TTI Group

Growth in Eastern Europe, excl. Turkey

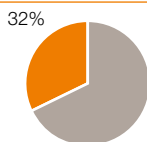


Industry shipments of core appliances in Eastern Europe increased by 6% in 2010 compared with the previous year, primarily due to growth in Russia and Ukraine.

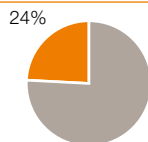
Consumer Durables North America

The year saw the re-launch of the Frigidaire brand in the mass-market segment. The launch, which commenced in 2009, entailed the replacement of large parts of the Frigidaire range with new, innovative and energy-efficient products at higher prices.

Share of sales 2010



Share of operating income 2010



Group sales for appliances were in line with the preceding year. Operating income increased on the basis of an improved product mix. Operating income for floor-care products declined due to higher costs for sourced products, lower volumes and price pressure in the market.

The market

In 2010, the market for household appliances in North America amounted to approximately USD 25 billion, corresponding to about SEK 180 billion. After strong growth in the first half of the year, in part due to the US government's rebate program for purchases of energy-efficient household appliances, demand declined in the third quarter. In the fourth quarter, demand increased somewhat. Sales volumes in the US are at 1998 levels after substantial decline during the years 2006–2009.

The market in North America is more uniform than in Europe, which has led to a relatively high level of consolidation among producers and retailers. Although consolidation has resulted in stable prices for a considerable time, downward pressure on prices has become more marked in recent years due to weak demand, increased sales at discount prices and the establishment of Asian producers. Asian competition in the vacuum-cleaner segment has been more pronounced over the past number of years. In 2010, vacuum-cleaner prices were subject to downward pressure.

The proportion of sales accounted for by replacement appliances is very high in the US and amounted to approximately 75% of all sales in 2010, compared to normally approximately 50%. Many household appliances are approaching the end of their lifecycle, which will support sales of new household appliances over the next few years.

Retailers

Approximately 60% of all appliances in the US are sold through four large retailers: Sears, Lowe's, Home Depot and Best Buy. Home Depot and Sears also hold strong positions in Canada. Vacuum

cleaners are sold mainly through supermarkets. A large portion of retailer sales are driven by marketing campaigns.

Kitchen specialists such as those in Europe account for only a small share of the market. Kitchens are usually built on-site by construction companies that also purchase household appliances. Producers of household appliances have focused their marketing on such companies, instead of targeting consumers. However, change is underway and just as in Europe, consumers are showing greater interest in well-designed and built-in kitchen appliances. The federal rebate program has led to increased interest in green household appliances.

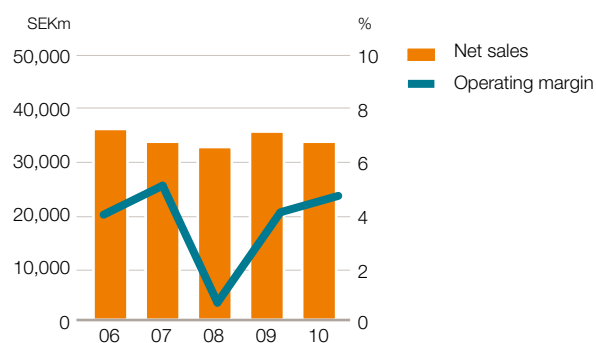
The Group's position

The year saw the completion of the re-launch of the Frigidaire brand in the mass-market segment. The majority of the Frigidaire range, was replaced with new, innovative and energy-efficient products at higher prices. Electrolux has held a strong position in the premium segment since the extensive re-launch in 2008 of new products under the Electrolux brand. Products for the super-premium segment are sold under the Electrolux ICON™ brand.

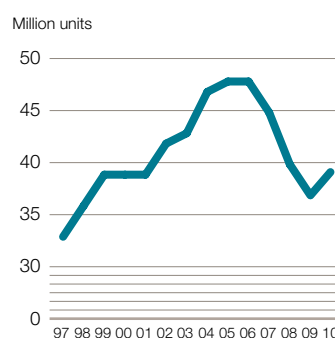
Since the end of 2009, Electrolux has terminated certain private-label retail agreements, which positively affected the product mix.

The Group's vacuum cleaners are sold primarily under the Eureka brand, for which a completely new product platform was introduced with great success during the year. The Electrolux brand is used for particularly innovative vacuum cleaners.

Net sales and operating margin



Shipments of core appliances in the US



Market demand for core appliances in the US increased by 5% in 2010, compared to the previous year. The growth derives from a very low level after more than three years of decline. One contributing factor to the growth in 2010 was the state-sponsored rebate program for energy-efficient products in the second quarter.

NORTH AMERICA



In 2009 and 2010, a new range of Frigidaire products was launched. The well-known actress Jennifer Garner was brand ambassador.



The Perfect Turkey button is an example of innovation driving growth. For US consumers, it is extremely important that the traditional Thanksgiving turkey is as succulent as possible. Electrolux has therefore developed the Perfect Turkey button. A thermometer controls the cooking in partnership with a convection system and turns out a perfect turkey.



In 2008, a comprehensive range of household appliances under the Electrolux brand was launched in the premium segment. In 2009 and 2010, this was followed by a re-launch of the Frigidaire brand in the mass-market segment. Electrolux now has a strong product offering in North America.

New products

In April 2010, the Eco-Friendly option for new washing machines was launched in the US. These consume 83% less energy and 56% less water than the average five-year old American washing machines.



Eco

Retailers and competitors

CORE APPLIANCES

Major retailers

- Sears
- Lowe's
- Home Depot
- Best Buy

Major competitors

- Whirlpool
- General Electric
- LG
- Samsung

VACUUM CLEANERS

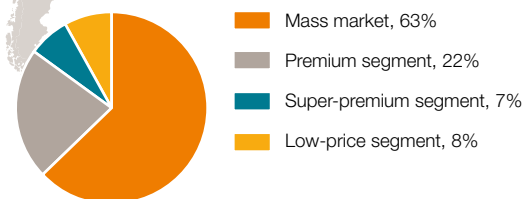
Major retailers

- Lowe's
- Sears
- Wal-Mart

Major competitors

- TTI Group (Dirt Devil, Vax and Hoover)
- Dyson
- Bissel

Estimated value segments in the US market

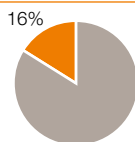


As a result of the economic uncertainty in the US, the sales pattern of appliances has changed. The share of replacement has increased, while the shares of discretionary sales and sales in connection with new housing have decreased. The value of the profitable premium-segment has also declined. Electrolux will be able to benefit of its position in the premium segment when demand starts to pick-up again.

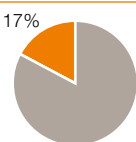
Consumer Durables Latin America

Electrolux is the second-largest producer of household appliances in Brazil and the largest producer of vacuum cleaners. The Group's sales in all of Latin America increased by more than 20% in 2010, and its position was strengthened in a number of product categories and markets.

Share of sales 2010



Share of operating income 2010



Operating income improved, primarily on the basis of higher volumes and an improved product mix. The launch of new products and increased sales of air-conditioning equipment have contributed to a better product mix for the year.

The market

The market for household appliances in Latin America was worth approximately SEK 93 billion in 2010, of which Brazil accounted for half. Mexico and Argentina are other large markets. The federal excise tax implemented in Brazil during 2009 for domestically-produced household appliances was discontinued in January 2010. This contributed to a substantial increase in demand at the start of the year. After two weak quarters, demand accelerated towards the end of the year. Most other Latin American markets saw demand increase during the year.

Growth in the region is driven by greater household purchasing power. The rapidly growing middle class in countries including Brazil and Mexico also generated greater demand for appliances in the premium segment.

The Latin American market is relatively consolidated. The three largest producers in Brazil accounted for approximately 75% of household appliances sales. The majority of appliances sold in Latin America are produced domestically, due to high import tariffs and logistic costs.

Retailers

Regional and local retailers are highly consolidated in Latin America. Three of Brazil's largest domestic retailers Casas Bahia, Globex and Pão de Açúcar merged in 2010. The new company Grupo Pão de Açúcar, has a dominant position on the market. Sales of appliances

are primarily driven by campaigns, since most purchasing decisions are made in stores where producers maintain their own sales staff. Greater use of the Internet by customers in recent years has become increasingly important in the marketing activities of producers.

The Group's position

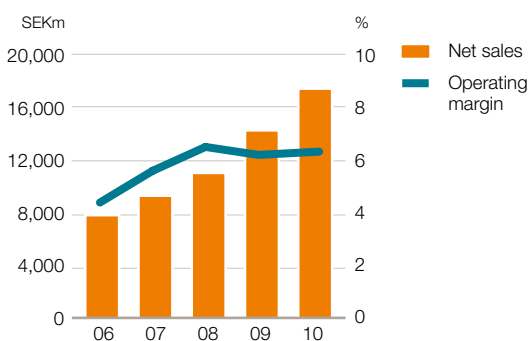
Brazil is the Group's largest market in Latin America and Electrolux is the country's second largest supplier of household appliances. The Electrolux brand is strongly positioned in all segments on the basis of innovative products and close partnerships with the leading retail chains. In 2010, almost two-thirds of sales in Brazil consisted of products launched in the past two years.

The Electrolux strategy is to grow rapidly in Brazil and the other Latin American markets, including Mexico and Argentina. In Mexico, products are sold under the Frigidaire and Electrolux brand.

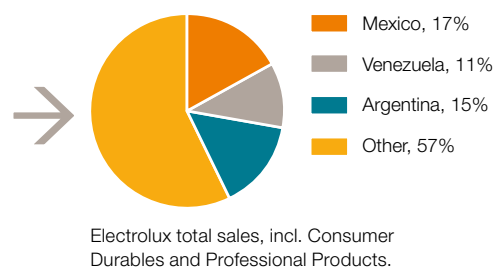
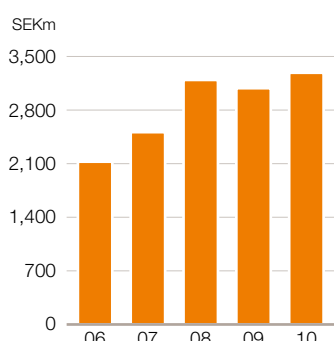
Electrolux sales in Latin America grew by more than 20% in 2010 and market shares strengthened in such countries as Mexico and Argentina, as well as in numerous product categories. The majority of Electrolux household appliances sold in Latin America is manufactured in Brazil or Mexico.

Two of three vacuum cleaners sold in Brazil in 2010 carried the Electrolux brand, and Electrolux vacuum cleaners also have a strong position in other areas of Latin America. Sales of Electrolux-branded small appliances, including coffee machines, irons and toasters, are growing rapidly in the region.

Net sales and operating margin



Net sales in Latin America, excl. Brazil



LATIN AMERICA



The premium refrigerator Infinity i-Kitchen with touch screen panel and superior performance. Surveys show that 95% of consumers prefer this refrigerator over other brands in the same segment.

No.1

During 2010, Electrolux grabbed the No.1 position for coffee makers in Brazil.

In Brazil, the innovative Ultra Clean washing machine has a stain-removal pen mounted directly on the machine.



Brazil is the largest market for Electrolux in Latin America. The Electrolux brand has a strong position in household appliances and Electrolux is the market leader in vacuum cleaners.

Strong position



Markets, retailers and competitors

CORE APPLIANCES

Major market

- Brazil

Major retailers

- Grupo Pão de Açúcar
- Máquina de Vendas
- Lojas Pernambucanas
- Magazine Luiza
- Wal-Mart

Major competitors

- Whirlpool
- Mabe

VACUUM CLEANERS

Major market

- Brazil

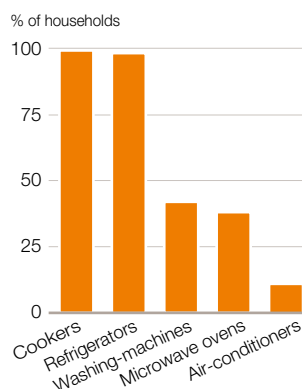
Major retailers

- Grupo Pão de Açúcar
- Wal-Mart
- Carrefour

Major competitors

- SEB Group
- Whirlpool
- Black&Decker
- Philips

Market penetration in different product categories



Brazil is the world's eighth largest economy. Estimates indicate that 50% of the population belong to the global middle class. There are great growth opportunities for Electrolux in low penetration categories.

Source: Kantar/Latin Panel.

Consumer Durables Asia/Pacific

Southeast Asia is a particularly important growth region for Electrolux. The innovative products the Group has developed to meet the region's particular needs have resulted in substantial growth, high profitability and expanded market shares.



Operating income improved considerably due to changes in exchange rates and improved cost efficiency. The operations in Southeast Asia continued to show favorable growth and profitability.

The market

In 2010, the market for household appliances in the Asia/Pacific region was worth approximately SEK 375 billion, of which the Chinese market is the largest at about SEK 180 billion. The Australian household-appliances market accounted for SEK 19 billion, which was slightly lower from the preceding year.

Demand for household appliances increased substantially in Southeast Asia and China during the year. Growth derived primarily from the low-price segment, largely due to improved living standards. The region's rapidly growing middle-class segment has led to increased demand for such products as air-conditioning equipment and washing machines. In 2010, the market for household appliances grew by more than 10% in China, Vietnam, Thailand, Singapore, Indonesia and the Philippines. Built-in kitchen products represent a rapidly-growing segment in Southeast Asia. The entire region is undergoing rapid urbanization.

The region has no clear market leader for household appliances. Electrolux is the market leader in Australia. Haier and Midea are the largest producers in China accounting for approximately 22% and 13% of the market, respectively, followed by a raft of local and international producers with relatively small market shares. Southeast Asian consumers find European brands appealing, but their market shares are still small.

Retailers

There is no region-wide retail chain. However, the trend is for increased consolidation of retailers. In Australia, five large retail chains account for approximately 90% of the market.

Most household appliances in Southeast Asia are sold in small, local stores. However, in urban areas, a large proportion of appliances is sold through department stores, superstores and retail chains. The Chinese market is dominated by two large domestic chains, Gome and Suning, which specialize in electronics, and only a few international chains have as yet established operations in China.

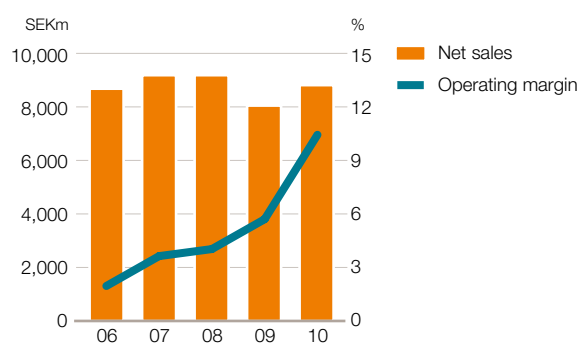
The Group's position

Approximately 70% of Electrolux sales of household appliances in the Asia/Pacific region is in Australia, where the Group is the market leader. The Electrolux brand is positioned in the premium-price segment and focuses on innovation and design as well as energy- and water-efficiency. The Group's Westinghouse and Simpson brands have strong positions in the mass-market segment.

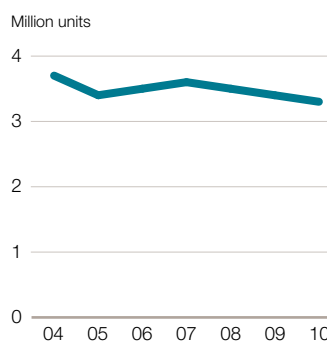
Electrolux is a very strong brand in Southeast Asia, which is an important growth area for the Group. The innovative products developed by the Group to meet the specific needs of the region in terms of temperature, humidity and food culture, have generated strong growth, high profitability and increasing market shares. Among other initiatives, Electrolux has launched, with great success, built-in products for kitchens that are specifically adapted to suit the needs of Asian consumers. Electrolux increased its sales of vacuum cleaners significantly in 2010. Sales of vacuum cleaners are conducted via household-appliances retailers and other channels.

In China, Electrolux implemented structural measures and repositioned the product offering – actions that have begun to yield results.

Net sales and operating margin



Shipments of core appliances in Australia



Market demand for appliances in Australia declined during 2010, compared to the previous year.

ASIA/PACIFIC

The Electrolux Ebony Kitchen Collection, which was launched in Australia in 2009, stands head and shoulders above the rest. The black, high-gloss appliances with stainless steel handles integrate well with dark woods or in striking contrast to other white or stainless-steel kitchen appliances. All appliances have been equipped with the latest technology, including induction. The Electrolux Ebony Kitchen Collection has attracted much attention at kitchen fairs and in fashion publications.



Air-conditioning

Sales of air-conditioning equipment have made a strong impact on the positive development of Electrolux in the region. The brand is important when choosing an air-conditioner. In 2010, Electrolux launched new models that consume 20–30% less energy than conventional models. The market for air-conditioning equipment in Southeast Asia is almost as large as the one for refrigerators. Consumer insight – the majority of inhabitants in large Asian cities would find life without air-conditioning unbearable.

Market shares in Australia

- 42% core appliances
- 21% floor-care products



Electrolux cordless vacuum cleaner Ergorapido continues to contribute to sales growth in several markets. The latest is Japan, where Ergorapido was introduced in 2010.

Growth



Markets and competitors

CORE APPLIANCES

Major markets

- Australia
- Southeast Asia
- China

Major competitors

- Fischer & Paykel
- Samsung
- LG
- Haier

VACUUM CLEANERS

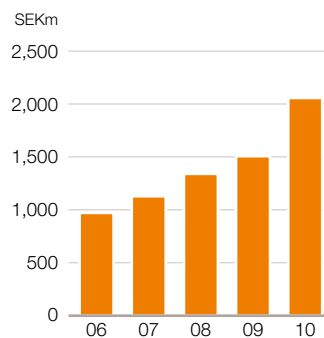
Major markets

- Australia
- South Korea
- Southeast Asia
- Japan

Major competitors

- Samsung
- LG
- Dyson

Sales in Southeast Asia



Sales in Southeast Asia continued to show good growth. This is in line with Electrolux strategy to grow in emerging markets.

Professional Products

A high rate of innovation, production close to the market and a well-developed global customer and service network represent vital competitive advantages for Electrolux. The Group is currently a leading supplier of professional kitchen and laundry products with low energy and water consumption.

Electrolux Professional Products is a leading, global supplier of complete solutions for professional kitchens and laundries. The additional focus is on providing individual products primarily to restaurant chains, increasing the proportion of replacement products and growing faster in the emerging markets of Asia and Latin America. Approximately 80% of sales is under the Electrolux brand. Products for professional kitchens are also sold under the Zanussi brand. In addition, Molteni is a brand of exclusive cookers. In the US, approximately half of the Group's laundry equipment is sold under the Wascomat brand, via a distributor.

High level of innovation

A high level of innovation is crucial to the ability to fulfill customer requirements. Over the past years, Electrolux has invested an average of 5% of total product costs in product development. All product development takes place on a global basis, but the products are adapted to suit regional needs. The Group, with its prominent designs and patents for professional kitchens and laundry products, is a leading supplier of energy- and water-efficient products.

Production close to market

Products for professional kitchens and laundries are often large and complex, while customers expect short delivery times. Customers expect service facilities to be available locally.

Own-manufactured products have accounted for a growing proportion of Group sales in recent years. The Group currently operates its own production facilities in Sweden, France, Italy, Switzerland and Thailand.

Focus on Green products

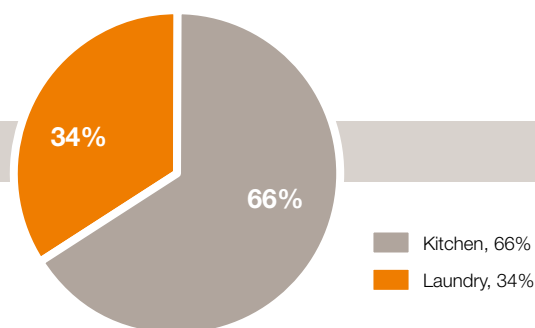
Green Spirit products are, from an environmental viewpoint, best-in-class for professional users. They meet user demands for energy, gas and water efficiency and the requirements for reduced amounts of detergents for dishwashing and laundry. In addition, more than 90% of the material used in the products is recyclable. The products in Professional Products are marketed to customers on the basis of a lifecycle perspective. Operating costs represent a large portion of the life-cycle costs for kitchen and laundry equipment.

Kitchen solutions for both professionals and consumers

The activities in Professional Products and Consumer Durables benefit from each other. A growing interest in cooking has led to consumers drawing inspiration from visits to restaurants with open kitchens and demanding products with a professional look for their own kitchens. Many of the world's best chefs and restaurants use kitchen appliances from Electrolux. Electrolux has a unique position in the industry to be able to offer kitchen solutions for both professional users and consumers.

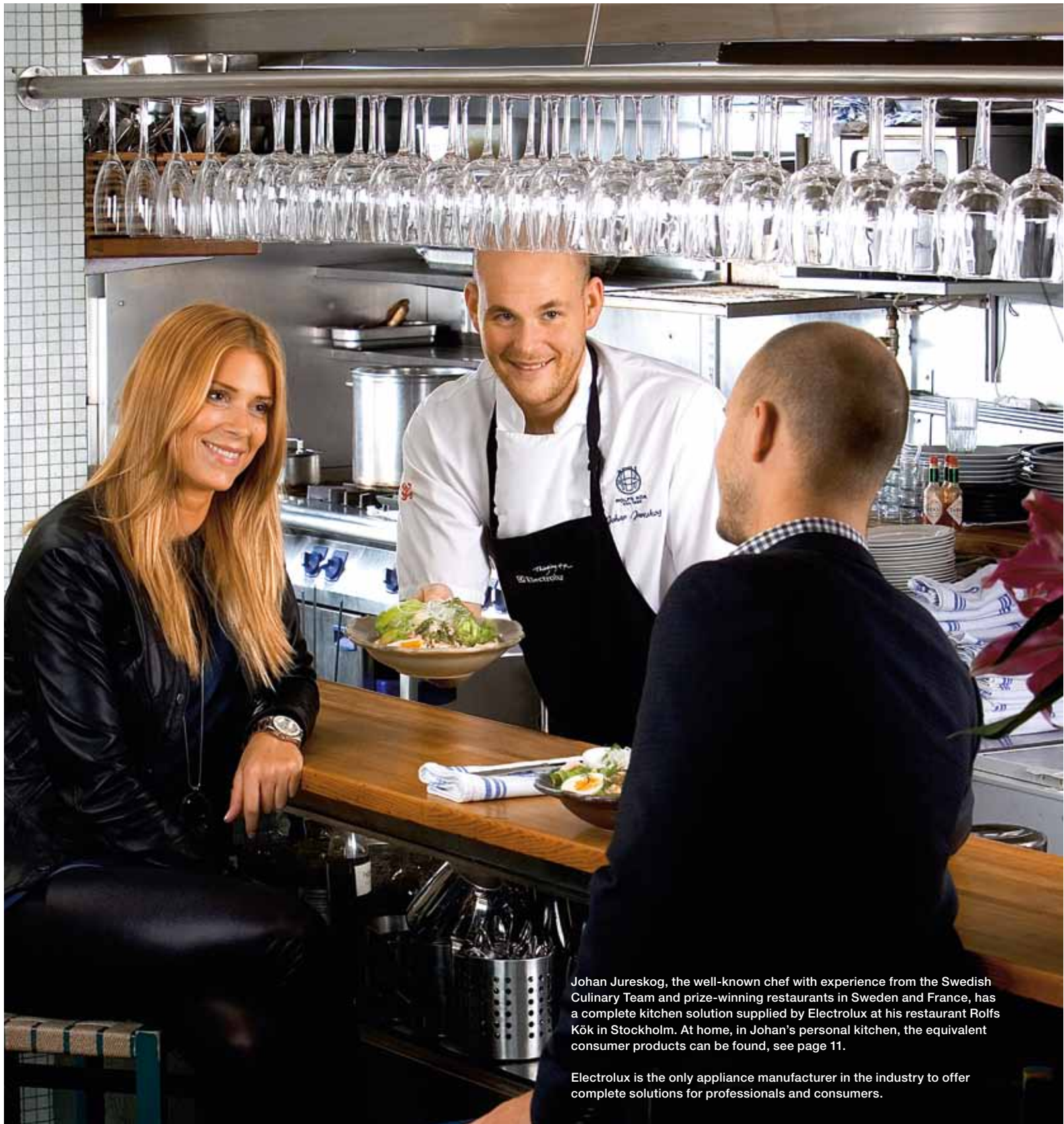
The launch of Electrolux as a brand for professional laundry equipment in the US in 2009 and 2010 benefitted from the existence of consumer products under the same brand. Since 2007, the proportion of consumers in the US who connect the Electrolux brand to household appliances has increased from 10% to 70% as a result of the Group's large-scale product launches in the premium segment.

Want to know more about the profitable transformation of Professional Products? Go to page 54–55 ►



Share of sales within Professional Products

Professional products comprise food-service equipment for hotels, restaurants, institutions and chains, as well as laundry equipment for apartment-house laundry rooms, laundrettes, hotels and other professional users. Approximately 80% of sales is under the Electrolux brand, although products for professional kitchens are also sold under the Zanussi brand and products for laundry equipment under the Wascomat brand.



Johan Jureskog, the well-known chef with experience from the Swedish Culinary Team and prize-winning restaurants in Sweden and France, has a complete kitchen solution supplied by Electrolux at his restaurant Rolfs Kök in Stockholm. At home, in Johan's personal kitchen, the equivalent consumer products can be found, see page 11.

Electrolux is the only appliance manufacturer in the industry to offer complete solutions for professionals and consumers.

Examples of innovative products in Professional Products

Air-o-steam Touchline oven



High Speed Panini Grill



Molteni Professional cooker



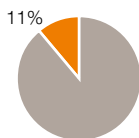
Tumble-dryer Eco Power



Share of sales 2010



Share of operating income 2010



Operating income for food-service equipment improved considerably due to increased sales of own-manufactured products, an improved customer mix and cost efficiencies. Operating income for professional laundry products improved due to price increases and greater cost efficiency. Operating income for 2010 was the best ever for Professional Products.

Professional Laundry equipment

Trends

Requirements for professional laundry equipment vary somewhat among users. For example, laundry specialists demand ergonomic products and solutions that reduce the risk of spreading infection through soiled textiles. Laundry equipment for laundry rooms in apartment buildings or in laundromats must be so easy to use that no manual is required. Irrespective of the area of use, buyers demand innovations that cut costs by reducing consumption of energy, water and detergents while still maintaining satisfactory washing and rinsing performance.

Markets and dealers

Professional laundry equipment is sold to laundry specialists such as those serving hospitals and hotels and also directly to apartment block owners and local laundries. In 2010, the global market for professional laundry equipment was estimated at approximately SEK 20 billion. Although demand declined during the recent recession, the market for professional laundry equipment has proven more stable than the market for food-service equipment, since replacement equipment accounts for a large portion of sales.

The market for professional laundry equipment is less fragmented than the market for professional food-service equipment. The five largest producers represent approximately 55% of the global market. The proportion of direct sales is greater for laundry equipment than for food-service products, although the trend is towards a growing share of sales through dealers, particularly for more standardized products.

The Group's position

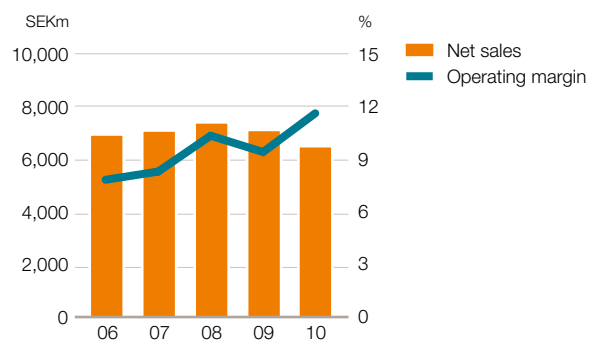
Electrolux maintains a program for the continuous development of new, user-friendly products and laundry processes that reduce energy consumption and improve washing performance. The product offering includes washing machines, tumble-dryers and ironing equipment. Approximately 65% of sales are in Europe and 10% in North America. Currently, the Group's strongest positions are in European hospitals and commercial laundry specialists. Electrolux products are distributed through 20 sales companies worldwide as well as through a global network of independent distributors.

Electrolux Lagoon™ is a washing, drying and ironing system that utilizes only biologically degradable detergents and water. It provides a gentle, ecological wash even for materials that normally require dry-cleaning, such as wool and leather.

Electrolux sells front-loaded washing machines that utilize a technology, Automated Weighting System (AWS), to weigh the laundry and then adjust the amount of water, energy and detergent to the weight of the load.

The Electrolux tumble-dryer, the Heat Pump Dryer, consumes approximately 70% less energy than a tumble dryer with a conventional heating system for drying laundry.

Net sales and operating margin for Professional Products



The operations in Professional Products have gone through a profitable transformation. Profitability has steadily increased and in 2010, the highest operating margin ever was recorded – 11.6%. The strategy to offer an innovative product range in combination with strict cost control is paying off, see page 54.

Net sales declined in 2010 as the Group exited a contractor of larger kitchen products in North America.



Modern Coin-op in Belgium equipped with laundry solutions from Electrolux Professional Products. This customer segment is one of the focus areas for growth in professional consumer-operated solutions.

Markets and competitors

FOOD-SERVICE EQUIPMENT

Major markets

- Italy
- France
- Scandinavia
- Asia and the Middle East

Major competitors

- Rational
- Manitowoc/Enodis
- Middleby
- Ali Group

LAUNDRY EQUIPMENT

Major markets

- Scandinavia
- France
- Japan
- US

Major competitors

- Alliance
- Primus
- Girbau
- Miele

Professional Food-service equipment

Trends

Since buyers of food-service equipment have varying requirements, producers must be able to supply innovative flexible solutions. End-users are focusing increasingly on hygienic criteria, water efficiency, energy efficiency and access to a comprehensive service network. The importance of design is increasing steadily, as many restaurant kitchens are in full view of guests.

Markets and dealers

The market for professional food-service equipment was estimated at approximately SEK 116 billion in 2010. After a weak 2009, demand stabilized in Western markets and increased in Asia and Latin America. Within the various segments, large global restaurant chains showed continued growth. In Europe, public institutions and independent restaurants continued to show weak demand.

Approximately half of all food-service equipment in the industry is sold in North America. The major restaurant chains are increasing their market shares in the US and are expanding rapidly in growth markets, including China and Eastern Europe, thus generating extensive opportunities for producers of food-service equipment for restaurant chains. The North American market features a relatively high degree of consolidation among both producers and dealers of professional food-service equipment.

The European market is about half the size of the North American market and is dominated by many small independent restaurants. Consolidation among producers and distributors has not come as far as in the US, and many European producers specialize in a specific product, sector or market. Ongoing harmonization of legislation and directives in the EU will benefit major producers that can better adapt to more stringent standards.

The Group's position

Electrolux is the only producer in the market that can provide restaurants and professional kitchens with complete solutions involving the most important kitchen appliances, such as dishwashers, refrigerators and freezers. Electrolux also offers customers individual high-performance innovative products. The Green Spirit range offers best-in-class environmental performance and furnishes the Group with a competitive edge, since an increasing number of users are focusing on reducing their energy consumption.

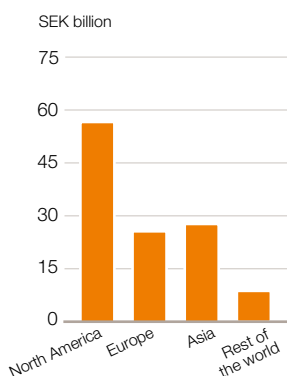
Most Electrolux food-service equipment is sold through dealers. This strategy has proven to be more successful and cost-effective than direct sales, in view of the complex end-user structure. A great deal of this equipment is sold as a complete kitchen solution, and buyers often depend on dealer assistance for selecting appropriate functions.

In Europe, Electrolux has a strong position with independent restaurants and healthcare facilities. The Group also supplies equipment for major projects such as hotels and cruise liners. Electrolux has a global presence.

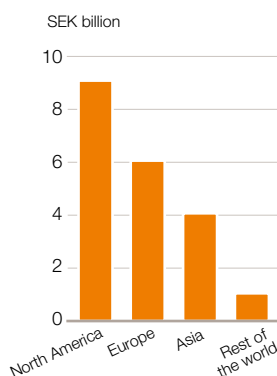
In the US, Electrolux has focused on establishing strong links with the major fast-food chains in recent years. The number of small establishments that serve hot food is growing rapidly in the US and in growth markets. Electrolux has developed competitive solutions to meet the needs of large chain customers such as rack-type dishwashing and the High Speed Panini Grill.

Market value within Professional Products

Market value, food-service equipment

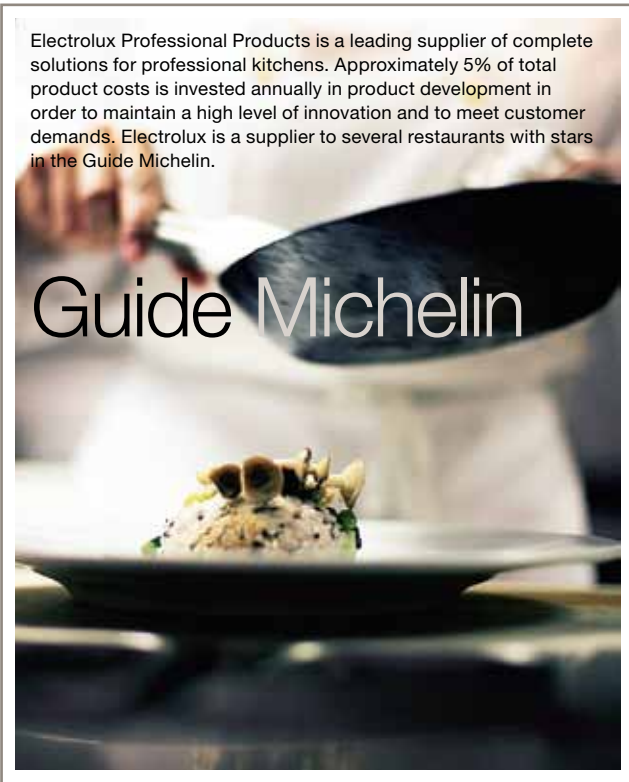


Market value, laundry equipment



North America and Europe account for approximately 90% of total sales of food-service equipment and 75% of laundry equipment. Historically, global growth has been approximately 1–2% annually, and mainly concentrated to growth regions. The total annual market value is approximately SEK 136 billion.

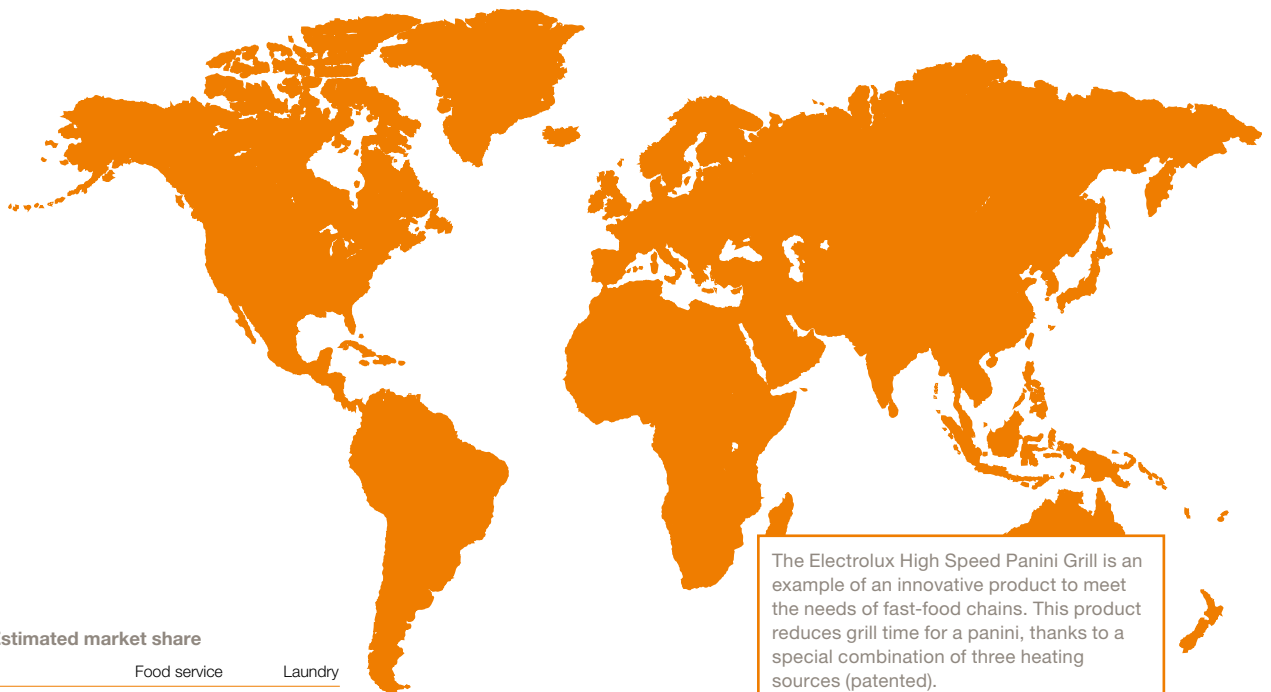
PROFESSIONAL PRODUCTS



Electrolux Professional Products is a leading supplier of complete solutions for professional kitchens. Approximately 5% of total product costs is invested annually in product development in order to maintain a high level of innovation and to meet customer demands. Electrolux is a supplier to several restaurants with stars in the Guide Michelin.

Lagoon

Lagoon™ by Electrolux is a professional cleaning system specialized in the gentle care of the most delicate fibres and textiles. By using water as a natural solvent, in conjunction with specially-developed cleaning programs and eco-friendly detergents, it safely handles even those garments labelled as dry-clean only. Thanks to these characteristics, Lagoon™ is the first and, to date, the only, professional wet-cleaning system to have obtained the endorsement of the Woolmark Company.



Estimated market share

	Food service	Laundry
Europe	13%	24%
North America	N/A	3%
Asia	2%	8%
Global	4%	11%

The Electrolux High Speed Panini Grill is an example of an innovative product to meet the needs of fast-food chains. This product reduces grill time for a panini, thanks to a special combination of three heating sources (patented).

Innovation

The profitability of Professional Products has steadily increased and in 2010, the highest operating margin ever was recorded and amounted to 11.6%.

Strong results

To become a global winner

Global brands and rapid launches of new innovative products will be necessary to achieve a market-leading position. Other crucial factors include cost-efficient production and leveraging global economies of scale. To become a global market leader, Electrolux must continue to be an innovative consumer-focused company with a strong brand and a competitive cost position.

Industry forces

- Supplier & retailer consolidation
- Global brands & products ▶ [40](#)
- Increasingly global & regional scale benefits
- Market polarization
- Volatile raw-material prices ▶ [50](#)
- LCA competition
- More stringent environmental legislation

Consumer trends

- Growing global middle class
- Increasing scarcity of resources ▶ [58](#)
- Aging population & smaller families
- Focus on health & well-being
- Greater requirements for service & quality
- More interest in food & interior decorating
- Increasing brand significance ▶ [38](#)
- Internet – main source of information

Financial goals

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability. Key ratios are excluding items affecting comparability. ▶ [46](#)

Operating margin of 6% or greater over a business cycle.

Capital-turnover rate of 4 or higher.

Return on net assets of at least 25%.

Average annual growth of 4% or more.

> 6%

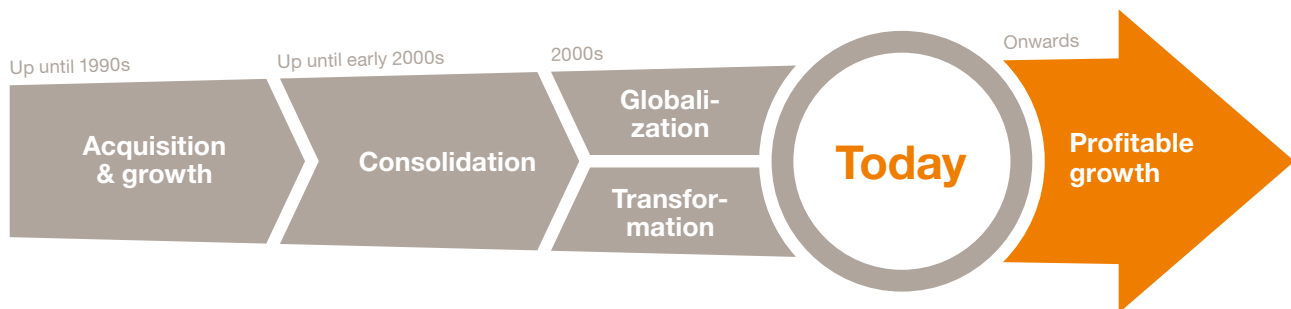
> 4

> 25%

> 4%

Electrolux strategy

Electrolux has completed its transformation from a manufacturing company into an innovative, consumer-driven company with an organization built on a strong understanding of evolving consumer needs. The combination of innovative products and a strong brand in the premium segment with the ability to utilize the global strength and reach of the Group have equipped Electrolux with the best prerequisites ever for profitable growth.



Products

All new products are born out of the Group's process for consumer-driven product development. Extensive consumer interviews and visits to consumers' homes have enabled Electrolux to identify global social trends and needs, to which new products are tailored.



Brand

The Electrolux brand commands a global position as a premium brand that represents innovative, energy-efficient products with attractive design. Electrolux is now a leading brand in most major markets.



Cost

The Group has a competitive production structure in which all vacuum cleaners and approximately 55% of appliances are manufactured in low-cost regions. Utilization of the global reach and strength of the Group will enable synergies to be realized that further reduce costs and create the prerequisites for more rapid growth.



Thinking of you

Electrolux

Product development based on consumer insight

Energy-efficiency, speed, simplicity and individual solutions are some of the needs identified by Electrolux through interviews and home visits to users of household appliances. Consumer insight is at the core of all product development at Electrolux, and in 2010 a large number of households were visited worldwide.

All new Electrolux products are born out of the Group's process for consumer-driven product development, which is a holistic process for managing products – from the cradle to the grave. The time to market (TTM) differs between regions. For example, TTM in Brazil is only about 18 months. Electrolux focuses on developing products within profitable segments and for markets displaying strong growth. The products are primarily aimed at customers in the premium segments.

In 2010, Electrolux invested approximately 1.9% of Group sales in product development. Product development is based on global collaboration and coordination of launches between various product categories. The number of new products generated by consumer-driven product development has grown rapidly in recent years, providing an improved product offering and a growing number of successful launches.

Electrolux RealLife® is a dishwasher designed for the 21st century. Below you can read more about the underlying process and the successful launch of the product.



The consumer insights from the market surveys were translated into three main consumer needs:

- more loadable space; consumers want the machine to fit all types of dishware, such as big pots, plates and delicate glasses
- perfect cleaning, no matter how you load
- baskets to fit items of any size and shape

The Electrolux process for consumer-focused product development ensures that a product is not created until a decision has been made regarding the consumer need that it will fulfill and the consumer segment that will be targeted.

STRATEGIC MARKET PLAN

IDENTIFICATION OF CONSUMER OPPORTUNITIES

PRIMARY DEVELOPMENT

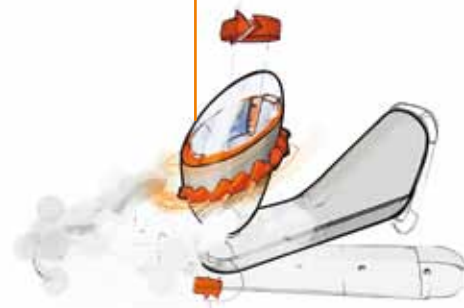
PRODUCT DEVELOPMENT

CONCEPT DEVELOPMENT

COMMERCIAL LAUNCH PREPARATION



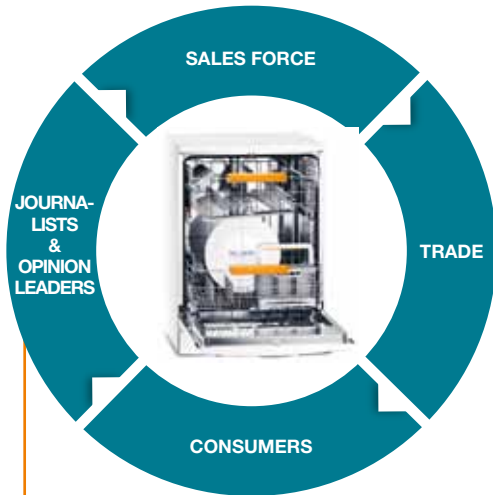
Several consumer market surveys were conducted to understand the most important factors when buying a dishwasher. An important conclusion was that nobody loads their dishwasher in the same way.



Concepts to address the identified unmet needs were generated by a cross functional team and tested by consumers.



The winning concepts were translated into features and functions such as FlexiSpray™ Arm and RealLife® Baskets to fit and clean items of any size and shape.



Different marketing tools have been activated to reach four key target groups.

The RealLife® dishwasher is developed for the “real life” in a modern household, where consumers want to be able to fit everything into the dishwasher and get everything properly cleaned, no matter how the machine is loaded. RealLife® was launched in March 2010.



All market communication is designed to create a powerful image of Electrolux, irrespective of product or market. Marketing plans are integrated in product development at an early stage, and all activities are coordinated in order to maximize impact.



The launch of the RealLife® dishwasher was prepared in a consistent and integrated way through several consumer touch points, including point-of-sale support, web campaigns, advertisements and TV.



Innovative products



“Thinking of you” is the core message of the Group’s marketing communication. It lifts the strong consumer focus of Electrolux into prominence. “Thinking of you” applies equally to employees, suppliers, other stakeholders and the environment. The slogan “Thoughtful Design Innovator” displays the importance designated by Electrolux to design and attention to detail when developing new products. The design of the products must increase their usefulness and not just be design for design’s sake.



High Speed Panini Grill

The Electrolux High Speed Panini Grill is an example of an innovative product to meet the needs of commercial restaurant chains. It outperforms any standard sandwich grill by taking a refrigerated sandwich to perfectly toasted in less than one minute, warm inside and complete with grill marks for an appetizing appearance. A programmable electronic control panel with four different automatic cooking programs results in extremely fast and easy operation. A non-stick surface also allows for effortless clean-up and maintenance.

Celebrate Glass Blue Touch Oven

Electrolux is revolutionizing Brazilian kitchens with the Celebrate & Celebrate Glass oven lines. Designed according to the needs of modern consumers, who focus on ease of cleaning, bold design and technology, the new models present unique features to facilitate cooking, while simultaneously saving time. The key feature in the Celebrate Glass line is the Blue Touch digital panel, enabling control of its main features with a simple touch, such as the different electric oven functions.

DESIGN LAB

For Electrolux Design Lab's eighth edition, students around the world were invited to create home appliances that consider how people prepare and store food, wash clothes, and do dishes in shrinking domestic spaces. Over 1,300 entries were submitted from students in more than 50 countries.



Design awards
Electrolux products received several design awards during 2010 for combining cutting-edge design with functionality.



Peter Alwin is the winner of the Electrolux Design Lab 2010 competition with The Snail, a portable heating and cooking device based on magnetic induction processes.

It is small enough to hold in the palm of your hand, and can be attached directly onto a pot, a pan, a mug, etc., to heat the contents. This enables cooking almost anywhere.

En:V Barbecue

The Electrolux En:V Barbecue is the latest addition to the Electrolux premium outdoor collection. The sleek and stylish barbecue was designed with Australia's increasingly cosmopolitan approach to outdoor dining in mind. The barbecue was the winner of the outdoor living category in the 2009 Home Beautiful Product of the Year Awards. A celebration of design, the annual Home Beautiful awards recognize and reward innovative, cutting-edge products across a range of categories, including home appliances, outdoor living, furniture and textiles. The barbecue was heralded for its relevance to the Australian outdoor lifestyle.



Keyhole Hob

The Electrolux Keyhole Hob is based on consumer insight that tells us that Asian cuisine requires functions that facilitate stir-frying and deep-frying as well as the ability to cook at a controlled simmer. Gas is perfect for wok cooking and induction is perfect for soups that need to simmer. Keyhole Hob represents the best of two worlds. Consumers like many of the various aspects of the new design – unique and innovative, easy to clean, simple and elegant. The cooker was awarded the gold medal at the Singapore Design Awards 2010 as well as two awards in China – a Platinum from China's Most Successful Design Awards and the Hong Ding, an annual award by China's authority on Home Appliances.

A premium brand

A strong global brand, attractive design and innovative products provide Electrolux with the competitive edge to increase sales and capture market shares. The Electrolux brand is now positioned in the profitable premium segment throughout the world.

Commanding a significant position in the premium segment is a crucial component of the Group's strategy for profitable growth. The rapid emergence of a large global middle class generates, for example, increasing demand for products with innovative design under a well-known global brand. As one of the few global producers of household appliances, Electrolux has a clear competitive advantage.

Innovative product launches

For product launches, Electrolux works primarily with full product series under one brand and not with individual product categories. All products launched must be clearly differentiated, convey a consistent feeling and integrate both design and emotional aspects. The launch of innovative, Electrolux-branded products in Europe, North America and other world markets has strengthened the Group's position in the global premium segment. In North America, the share in the premium segment has grown continuously since the launch in 2008. At the end of 2010, an extensive launch of new innovative products for the rapidly growing and profitable European built-in segment was initiated. Kitchen specialists account for a growing portion of the Electrolux retailer network in both Europe and Asia.

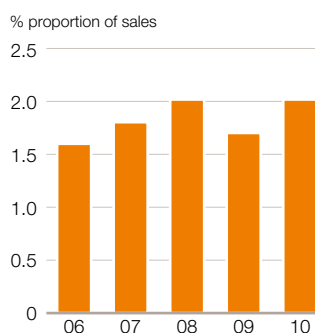
Greater recognition of the Electrolux brand

As household appliances are infrequent purchases, consumers have limited knowledge of market events since the last purchase. A strong brand constitutes a strong sales point. In the US, the proportion of consumers that associate the Electrolux brand with household appliances has increased from 10% to approximately 70% since 2007. This will facilitate future launches of Electrolux-branded products, including vacuum cleaners and Professional Products. In Brazil, where Electrolux is already a strong, well-known brand in all product categories, a new product is not launched unless at least 70% of consumers in the test groups prefer the product over similar alternatives in the market.

Professional and Scandinavian

Electrolux is a global brand with premium products both for consumers and professional users. The connection to professional products is of increasing importance to Electrolux. Becoming the selection of choice for the best professional users of kitchen appliances imparts credibility to Electrolux innovations in consumer appliances.

Investment in the brand as a proportion of sales



In 2010, investment in brand communication increased in conjunction with preparations for new, extensive product launches.

Electrolux is a global brand with Scandinavian values, an attribute that fills an important function in the creation of the products' design and in the development of new, green and responsible products. Scandinavian design values – freedom, intuition, authenticity, comfort and simplicity – render the products more visible than others in the retailers' stores.

Focus on PR and the Internet

Marketing is coordinated globally and across product categories to increase its impact and penetration. Concentration on the Electrolux brand enables more effective use of resources. At first hand, the focus is on cost-effective campaigns with a high degree of PR and Internet utilization.

The majority of the customers who buy Electrolux products visit the Group's websites during the purchasing process, thus making the websites one of the most important tools for convincing customers. Therefore, Electrolux develops Internet solutions that are well conceived, stimulating and innovative and that support the consumer through the purchasing process, from start to finish. In 2010, the Group rolled out completely new websites all across Europe, which will assist in strengthening the brand and increasing sales in conjunction with future product launches.

Campaigns that strengthen the brand

During 2010, Electrolux conducted a number of successful advertising and PR campaigns that have strengthened the brand and led to increased sales by utilizing the Internet as the central channel. A few of the most attention-grabbing is featured below:



In Australia, a campaign was conducted to strengthen the consumer perception of Electrolux as an innovative premium brand in household appliances.

► www.electrolux.com.au



The Vac from the Sea campaign should increase awareness worldwide concerning the lack of recycled plastic while increasing volumes of plastic debris are polluting the oceans.

► www.electrolux.com/vacfromthesea



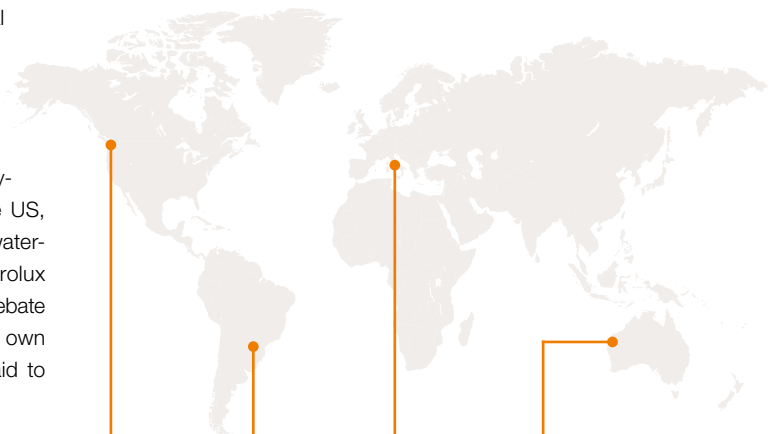
In connection with the launch of the new air-o-steam Touchline Oven, a campaign was conducted aimed at lifting Professional Products' innovative and green solutions for the professional kitchen.

► www.electrolux-touchline.com

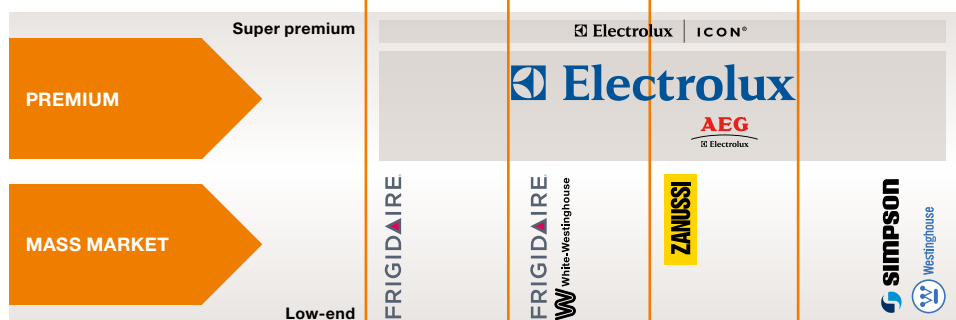


Sustainable brand

Across the globe, interest is increasing in sustainably manufactured products that are energy- and water-efficient, and can be recycled. This trend is particularly pronounced in areas facing substantial environmental challenges, such as China and Australia. In addition to the desire of many consumers to assume greater responsibility for the environment, many governments are introducing measures to stimulate demand. During 2010, new discount programs or other incentives to purchase energy-efficient products were introduced in countries including the US, Mexico and Germany. As a leading brand for energy- and water-efficient products for consumers and professional users, Electrolux can leverage these trends. Concurrent with the Federal rebate program, Cash for Appliances, in the US, Electrolux launched its own green campaigns for its household appliances, including Paid to Upgrade (Frigidaire) and Green for Green (Electrolux).



The Electrolux brand is positioned in the premium segment throughout the world. In Latin America and Southeast Asia, the majority of the Group's appliances and all vacuum cleaners are sold under the Electrolux brand. Investments in dual brands include primarily AEG-Electrolux, which is a major premium brand in several European markets. The Group also invests in strong, regional brands, such as Zanussi, Eureka and Frigidaire.



Made by Electrolux

Increased investment in product development and brand communication presupposes lower production costs and less capital tied up in manufacturing. The extensive restructuring program and the greater proportion of procurement from low-cost areas (LCA) of recent years must be viewed against this backdrop. Now, the objective is global optimization of operations to reduce costs further and to increase the growth rate.

OPTIMIZING

Competitive manufacturing footprint

The need for cost-efficient manufacturing has become increasingly important due to globalization and the emergence of manufacturers from low-cost areas. In 2011, Electrolux will complete the extensive restructuring program commenced in 2004, and on its conclusion, Electrolux will have a competitive production structure with modern and efficient production units, all of which apply the same high labor and environmental standards, across the globe. Savings realized by the program are estimated to amount to approximately SEK 3.4 billion with a full yearly effect from 2013. Approximately 60% of the Group's household appliances will be manufactured in low-cost areas that are near rapidly-growing markets for household appliances. During 2010, Electrolux acquired a washing-machine plant in the Ukraine and signed a preliminary agreement to acquire the Egyptian Olympic Group, a leading manufacturer of household appliances for the North African and Middle Eastern markets.

Program for more efficient production

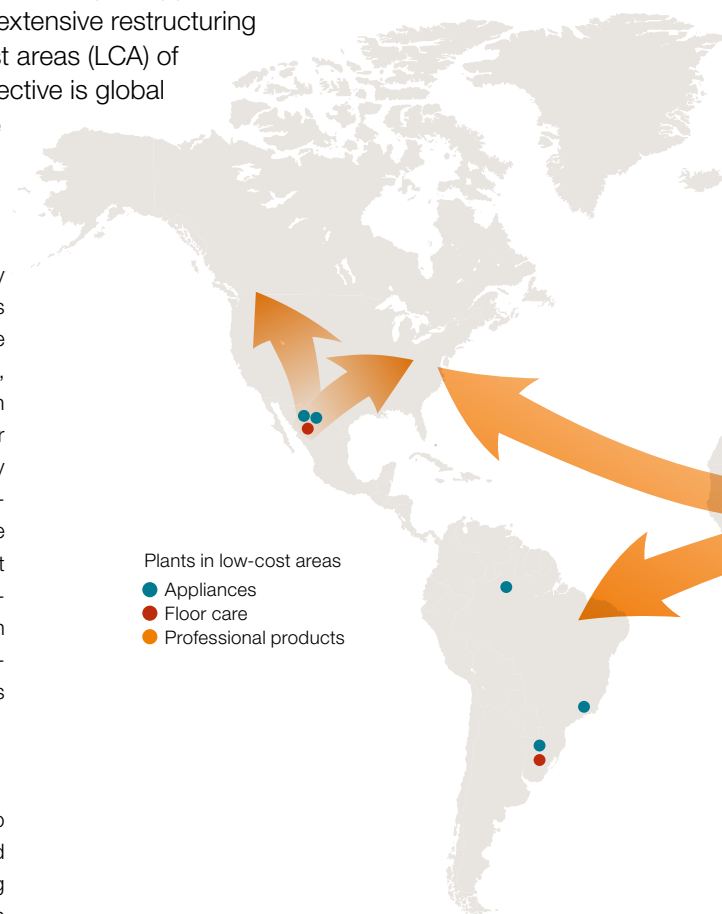
In parallel with the move of production to low-cost areas, the Group has implemented various programs to increase the efficiency and quality of products and production. The Electrolux Manufacturing System (EMS) is built on various tried and tested production improvement methods, developed internally in the Group and externally, and is a program that has been implemented with great success in all Electrolux plants. By continuous improvement, EMS targets employee safety, product quality, costs and environmental impact. The success of EMS has led to the program being linked together with other larger Group investments and projects, including procurement and product development.

Manufacturing will optimize capacity utilization and support strategic growth

60% of production will be in LCA*
 17 plants have been closed
 7 plants have cut back production
 9 new plants have been opened

2011 onwards

- Global capacity optimization
- Support of strategic growth



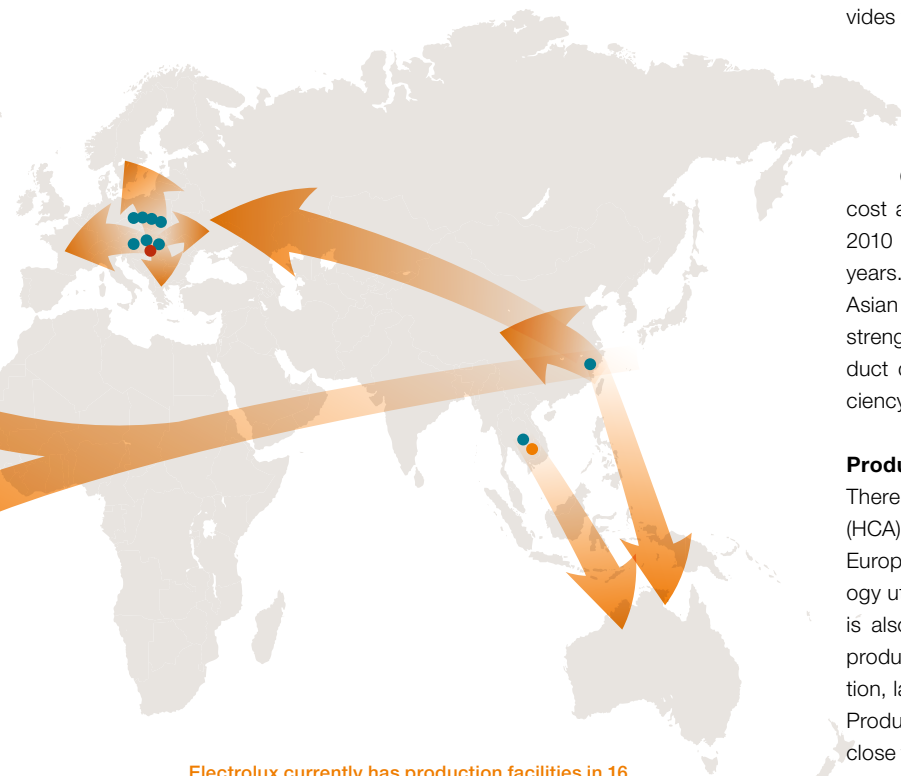
Lower costs and more efficient production have resulted in Electrolux being profitable despite low utilization of capacity. Only about 20% of the Group's total costs are fixed over time, which provides the flexibility to adapt the business to changes in demand.

Greater procurement levels from low-cost areas

A number of activities have been implemented to lower costs for materials, which account for just over half of the Group's total costs. The proportion of procurement from low-cost areas increased from 30% in 2004 to approximately 62% in 2010 and is expected to reach approximately 70% in a couple of years. Since procurement from Asian suppliers is increasing, an Asian procurement organization has been established. The aim is to strengthen the Group's global ability to interact with suppliers, conduct quality controls and responsible sourcing and increase efficiency.

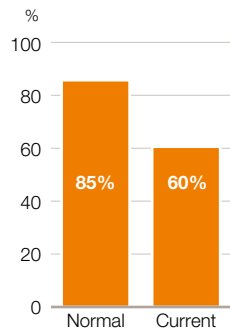
Production remains in high-cost areas

There are still production units that must remain in high-cost areas (HCA). The production of hobs and ovens for the built-in segment in Europe must be near the end-market due to the advanced technology utilized and high transportation costs. Proximity to end-market is also important for the profitability of refrigerators, since these products are bulky and, therefore, expensive to transport. In addition, labor costs form just a small portion of total production costs. Products intended for professional users are always manufactured close to the market in which they are sold. Smaller products such as vacuum cleaners are inexpensive to transport long distances and all production of the Group's vacuum cleaners is in low-cost areas.

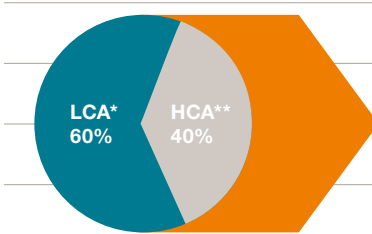


Electrolux currently has production facilities in 16 countries. Modern, highly-productive plants have been built in Asia, Mexico and Eastern Europe. In addition to producing innovative high-quality products for the Australian, North American and Western European markets, these plants also supply nearby growth markets with competitive products. In 2010, production units were acquired in the Ukraine.

Profitability with capacity utilization of 60%



Future manufacturing footprint



Why keep plants in HCA?

No net-present value case	20%
Efficient, profitable plant	10%
Declining segments	10%
HCA	40%

* LCA, plants in low-cost areas.
 ** HCA, plants in high-cost areas.

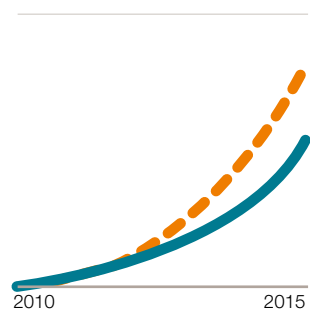
Next step – shared global strength

Having achieved a competitive production structure, a strong global brand and a profitable process for consumer-driven product development, the next step in the Group’s efficiency program is ready to be taken. Global initiatives will enable Electrolux to continue to reduce costs by drawing on the advantages provided by the global strength and reach of the Group. This will be achieved through leveraging synergies within modularization, manufacturing and procurement. The total estimated savings provided by the initiative amount to approximately SEK 2–2.5 billion per year and full effect will be achieved in 2015. The initiatives will further strengthen the competitiveness of Electrolux and lead to increased speed and precision in product launches for the mass-market and premium segments; thus contributing to profitable growth. The cost of these global initiatives is estimated to amount to approximately SEK 500m per year during 2011 and 2012.

Greater production synergies

Electrolux possesses the prerequisites to achieve even greater economies of scale at its production units throughout the world. Above all, it is crucial to reduce complexity by defining the optimal structure and coordinating manufacture of the various products. Focus is placed on creating a swift and efficient process for component assembly.

Value creation from global operations



■ Savings SEK 2–2.5 bn.
25% modularization,
25% manufacturing and
50% purchasing.

■ Additional value potential

- Time-to-market reduction
- Complexity reduction
- More focused quality work
- Higher flexibility
- Additional savings in Modularization, Manufacturing, and Purchasing

Utilizing global strength with consumer focus



Optimized procurement

Approximately half of the savings delivered by the global initiatives are expected to be realized through better global coordination of procurement. Modules with standardized interfaces, products and components result in fewer suppliers while increasing the volume of the input goods being procured. Another prioritized area that is part of delivering greater efficiency is the involvement of the procurement function earlier in the product development process.

Faster and more efficient product development

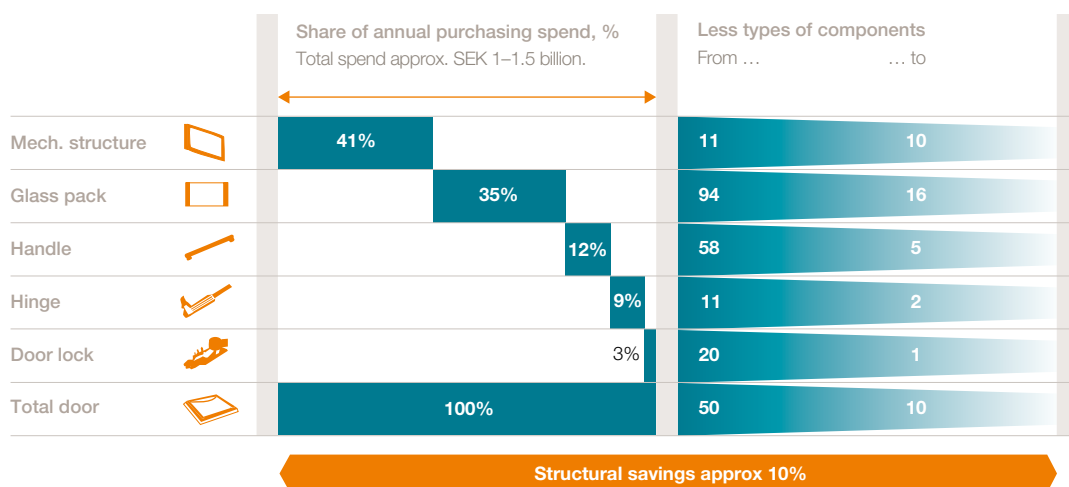
Developing products based on global needs leads to greater efficiency not only in product development and marketing, but also in production, since fewer product platforms are required. Cooperation between the different Electrolux global product councils for appliances will accelerate, and global units for product development in the respective product categories will accelerate the pace of innovation. Currently, Electrolux has eight global product development

centers for household appliances around the world that focus on areas including induction, built-in and front-loaded washing machines. The objective is to further increase the level of differentiation for new launches in the premium segment and concurrently be able to profitably compete in the mass-market segment.

Modularization

Standardizing and utilizing modules for components common to all products, in one category, facilitates faster product development and more rapid satisfaction of consumer needs. In addition, procurement costs are reduced; resulting, for example, in lower product costs. In appliances, work is ongoing to identify the number of variants needed for a product category's various components, such as glass shelves, handles and hinges. Although criteria for design must be varied to meet consumer preferences and tastes, the inside of the product is rarely affected.

Example of modularization, oven door



Financial goals

The financial goals of Electrolux are intended to enable the generation of added shareholder value. In addition to maintaining and strengthening the Group's leading global position in the industry, achieving these goals contributes to generating a healthy total return for shareholders. The extensive restructuring program carried out in the Group and an improved mix has led to a higher operating margin and return, thus creating better prerequisites for profitable growth in future years.

OPERATING MARGIN

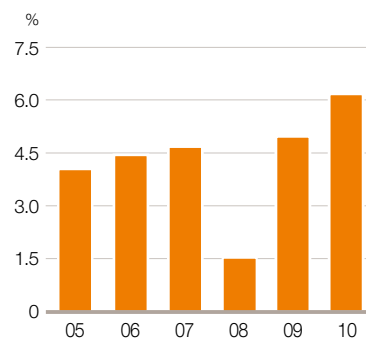
Operating margin of at least 6% over a business cycle

Efforts to transform Electrolux into an innovative, consumer-focused company have yielded results. Electrolux is now one of the strongest companies in the appliance industry in terms of market share, brand recognition and profitability. In 2010, Electrolux succeeded in achieving an operating margin of 6.1%, excluding items affecting comparability, primarily through lower costs and an improved product mix. By maintaining its focus on innovative products, a strong brand in the premium segment and competitive production, Electrolux has achieved its current level of profitability despite weak markets in the west and an industry that continues to be characterized by overcapacity and price pressure. Over the past two years, average Group utilization of production capacity was about 60% compared with the normal level of about 85%.

Electrolux operating margin will continue to fluctuate due to general economic conditions and trends in the household appliance market. Electrolux specifies an average goal for its operating margin measured over the current business cycle.

> 6%

Operating margin



In 2010, Electrolux succeeded in achieving an operating margin of 6.1%, despite increased competition and higher costs for raw materials.

Capital-turnover rate of at least four

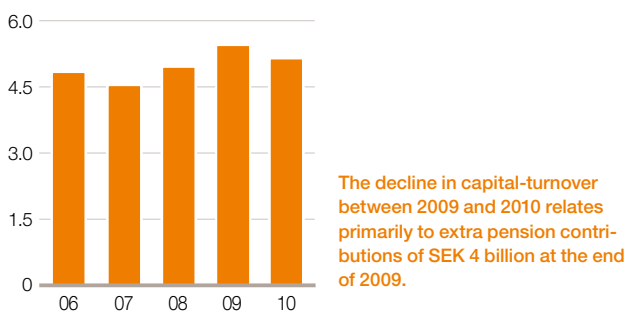
Electrolux strives for an optimal capital structure in relation to the Group's goals for profitability and growth. Extensive investment has been made in new, modern production facilities in low-cost areas, and production has been discontinued in high-cost areas.

In recent years, work on reducing working capital has been intensified. This has involved reviewing all aspects from supplier contracts and inventory management to invoicing of customers. It has resulted in a lower level of structural working capital, that is, the share of capital that is not affected by changes in business conditions, as well as a stronger cash flow. When demand and sales accelerate again, even greater focus will be required on limiting the degree of capital intensity within the Group through, for example, more efficient outsourcing of products and components. Reducing the amount of capital tied up in operations creates opportunities for rapid and profitable growth.

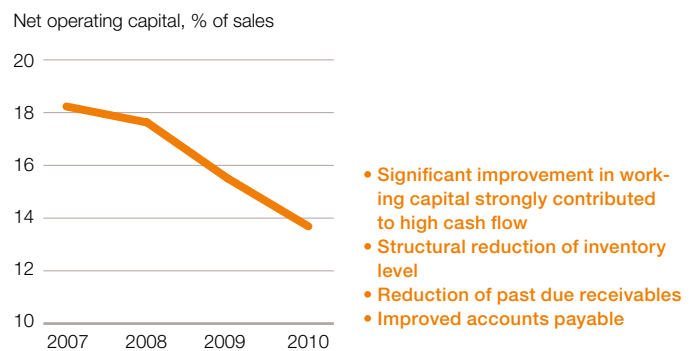
The capital-turnover rate amounted to 5.1 during 2010, which surpassed the goal.

CAPITAL
TURNOVER
RATE > 4

Capital-turnover rate



Improvement in working capital



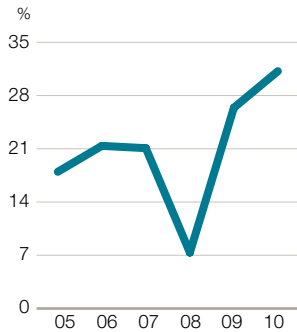
RETURN ON NET ASSETS V 25%

Return on net assets of at least 25%

Focusing on growth with sustained profitability and a small but effective capital base enables Electrolux to achieve a high long-term return on capital. With an operating margin in excess of 6% and a capital-turnover rate of at least 4, Electrolux achieves a return on net assets (RONA) of at least 25%. The figure reported for 2010 was 31%, which exceeded the goal.



Return on net assets



Return on net assets (RONA) rose to 31% in 2010, which exceeded the goal.

Average growth of at least 4% annually

Electrolux has undergone an important and extensive transformation of operations, which has led to increased profitability. When combined with a strong, global brand in the premium segment and a rapid and efficient process for developing innovative products, this enables Electrolux to place its long-term focus on profitable growth.

The long-term drivers in the market for household appliances stand firm; households replace their existing appliances with new ones, they renovate their homes, and build new ones, and penetration increases, particularly in growth markets. Over the course of a

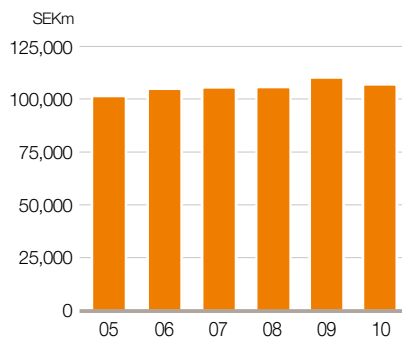


business cycle, growth is in line with the average for the global economy, which is approximately 3–4%.

In order to achieve higher growth than the market average, the Group continues to strengthen its positions in the premium segment, expand in profitable high-growth product categories, increase sales in growth regions and develop service and aftermarket operations.

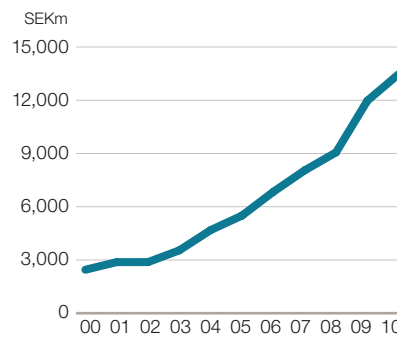
In addition to organic growth, opportunities exist for implementing the Group's growth strategy more rapidly, through acquisitions or the establishment of business partnerships. Electrolux seeks to acquire operations that have complementary technology or geographical coverage, well-positioned products, and strong brands. This will enable Electrolux to increase market shares in high-price segments and in growth markets. In 2010, Electrolux acquired a washing-machine plant in the Ukraine and entered a preliminary agreement to acquire the Egyptian appliance manufacturer Olympic Group. These acquisitions will strengthen the position of Electrolux in the growth markets of Eastern Europe, North Africa and the Middle East. Given the recent events in Egypt, things will be put on hold until stability in the country resumes.

Sales growth



To achieve higher growth, the Group will strengthen its position in the premium segment, expand in profitable high-growth product categories, and increase sales in growth regions.

Rapid organic growth in Brazil



Electrolux is one of the leading appliance brands in Brazil, with a high rate of growth and good profitability.

External factors affecting operations

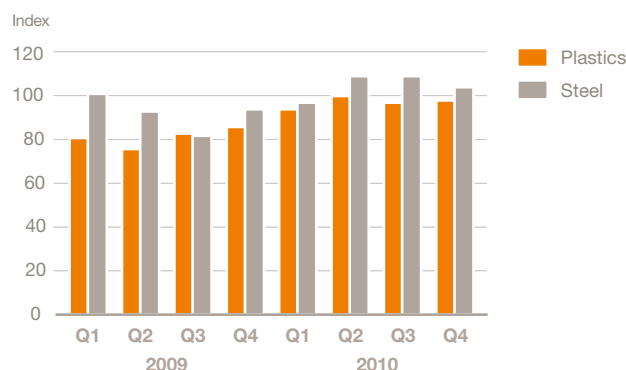
The operations of Electrolux are exposed to a number of strong external factors that affect the Group's opportunities to increase profitability and return, and thus its ability to achieve the Group's financial goals.

Raw-material costs

Raw materials account for a large share of the Group's costs. In 2010, Electrolux purchased components and raw materials for approximately SEK 44 billion, of which raw materials represented approximately SEK 20 billion. The raw materials to which the Group is primarily exposed comprise steel, plastics, copper and aluminum. Raw-material prices rose sharply in 2004-2008, which resulted in an increase of SEK 9 billion in the Group's costs. In light of the highly competitive nature of the market, mainly cost savings were used to offset the increase in the cost of raw materials. Following a decline in the second half of 2008 and beginning of 2009, prices of raw materials began to rise again. In 2010, the cost of raw materials rose by SEK 1.1 billion for Electrolux, and in 2011 the increase is expected to be SEK 1.5 – 2.0 billion.

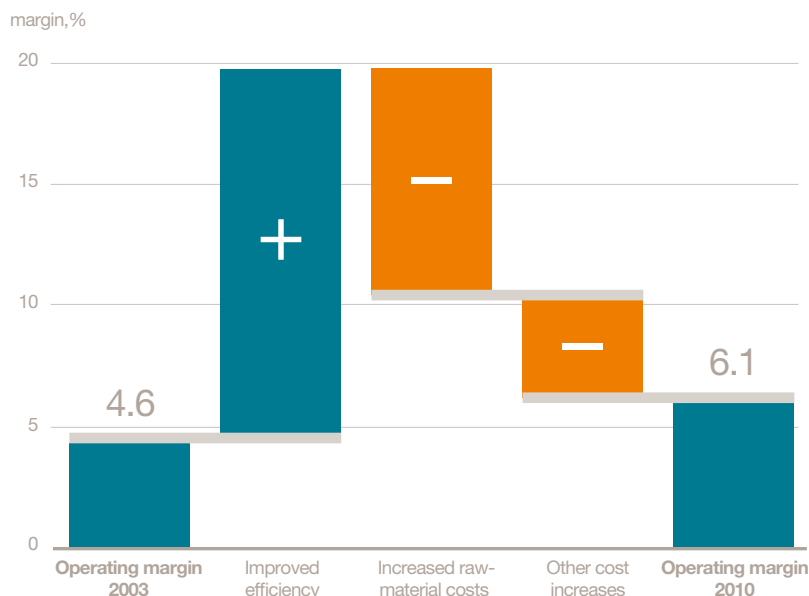
Electrolux can manage long-term, rising raw-material costs through cost-cutting measures, price increases and an improved product mix. However, adjusting operations in the short-term in response to substantial, rapid price movements is more challenging. Electrolux prefers a steady increase in price over a longer period rather than volatile movements that substantially increase or decrease prices.

Price development of steel and plastics



Indexed price development for Electrolux in North America and Europe (average).

Rising raw-material costs have been offset by improvements



Electrolux can manage long-term, rising raw-material costs through cost-cutting measures, price increases and an improved product mix. Since 2004, raw-material costs have increased by approximately SEK 9 billion. At the same time investments in brand marketing and product development have increased. Higher costs for raw materials have been compensated for, among other things, by efficiencies within manufacturing and purchasing. Operating margin, excluding items affecting comparability has improved from 4.6% in 2003 to 6.1% in 2010.

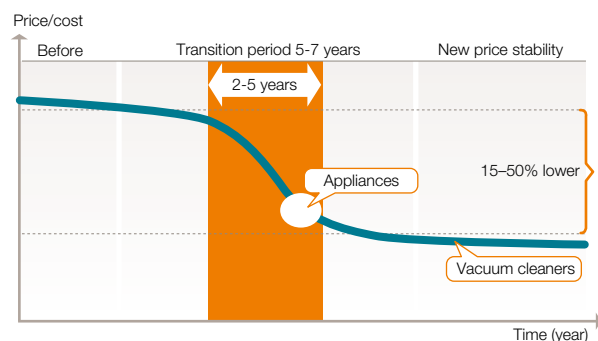
Prices and overcapacity

Strong downward pressure on prices has been evident in most of the Group's markets for a number of years. Price competition has been particularly severe in low-price segments and in product segments where there is substantial overcapacity as well as in markets with low levels of consolidation. In Europe, where prices have been declining for several years, many producers were able to defend and raise prices in 2009 despite weak demand and a fragmented market. In 2010, price pressure was again intensified, partly driven by changes in exchange rates. In light of the comprehensive relocation of production to low-cost areas during the past decade, most producers have similar cost levels today. In addition, rates of capital intensity in the industry are relatively low, which facilitates rapid adaptation of production for manufacturers. The industry's structural overcapacity always implies a risk of short-term downward price pressure due to manufacturers choosing to increase production to capture market shares through lower prices. For example, in North America, extensive price campaigns for washing machines resulted in downward price pressure in the segment in 2010.

The vacuum-cleaner industry, which has seen a greater degree of transformation than appliances, does not suffer from the same price-deflation. Consumers are prepared to pay higher prices for new functions and intelligent design.

Electrolux, as one of the few global manufacturers of appliances and vacuum cleaners, has the opportunity to optimize production and procurement on a global basis, thus creating scope to continue reducing costs.

The industry is in a phase of rapid change



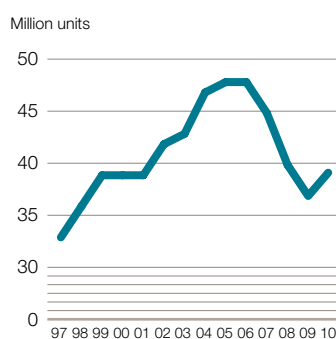
The vacuum cleaner industry has reached price stability. Major appliances is in an earlier stage of the change process.

Demand trends

Demand for appliances is primarily dependent on general business conditions. Since Electrolux is a producer of consumer goods, sales are affected at an early stage in the economic cycle. Lower market demand can lead not only to lower sales volumes, but also to a shift in demand to products with lower prices and margins. In addition, utilization of production capacity declines in the short term. A stronger global economy contributed to the rise in demand in most markets during 2010. In the US, during the second quarter, the federal rebate program to promote the purchase of energy-efficient household appliances resulted in many households bringing forward their planned purchases of appliances. Demand grew strongly during the first six months to then stabilize during the second half of the year. In the growth markets of Latin America, Asia and Eastern Europe, demand accelerated off the back of the rapid growth of a affluent middle class. Demand in the mature markets of Western Europe and Australia was unchanged or declined somewhat. As a result of high penetration in the majority of product categories in Western markets, in combination with a historic low demand, sales are becoming increasingly dependent on households replacing their old products with new. Replacement products accounted for approximately 75% of sales of household appliances in the US during 2010.

Specific segments such as frost-free freezers and induction hobs show continued strong growth, irrespective of market. Governmental incentives for stimulating consumer purchases of energy- and water-efficient household appliances have been implemented in several countries, including Brazil, the US and Australia. Electrolux has a leading position in this segment, and can benefit from increased demand.

Shipments of core appliances in the US



Market demand for core appliances in the US increased by 5% in 2010. The growth derives from a very low level after more than three years of decline. Replacement products accounted for approximately 75% of sales.

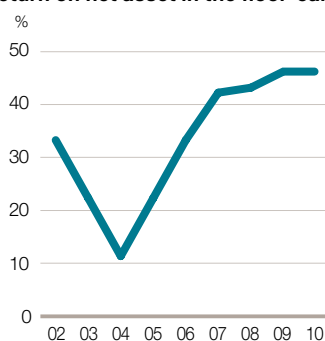
Our achievements

In accordance with the Group's strategy, Electrolux has implemented a dynamic transformation of its floor-care operations as well as operations in Latin America, Australia and Southeast Asia, and in Professional Products. A number of these changes and the results they generated are described in the annual reports for 2006–2010.



2006. We have transformed the floor-care business.

Return on net asset in the floor-care operation

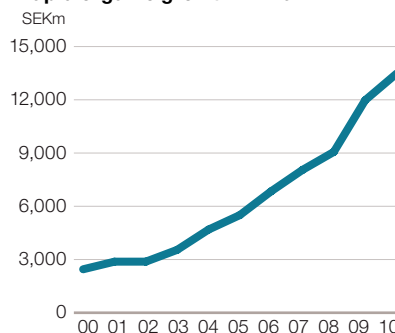


The market for floor-care products underwent rapid changes at the end of the 1990s. Severe competition and low profitability generated intensive pressure for change. This led to a vigorous transformation of the Group's operations. This operation has demonstrated highly favorable development since the transformation.



2007. Turnaround of the Brazilian operation.

Rapid organic growth in Brazil

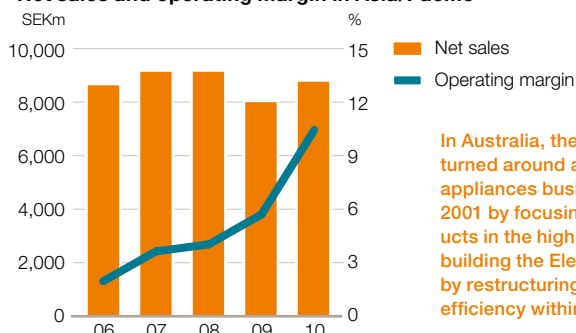


Electrolux entered the Brazilian appliance market in 1996 by acquiring Refripar, one of the largest appliance producers in the country. Refripar's products were positioned in the low-price segment, and the company had high production costs. Today, Electrolux is one of the leading appliance brands in Brazil, with a high rate of growth and favorable profitability.



2008. Success in Australia.

Net sales and operating margin in Asia/Pacific

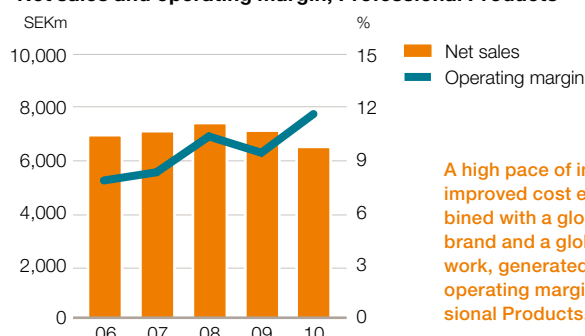


In Australia, the Group has turned around an unprofitable appliances business acquired in 2001 by focusing on new products in the high-price segments, building the Electrolux brand and by restructuring and improving efficiency within production.



2010. Transformation of Professional Products. This year, the annual report contains a description of the transformation of Professional Products. Read more on pages 54–55.

Net sales and operating margin, Professional Products



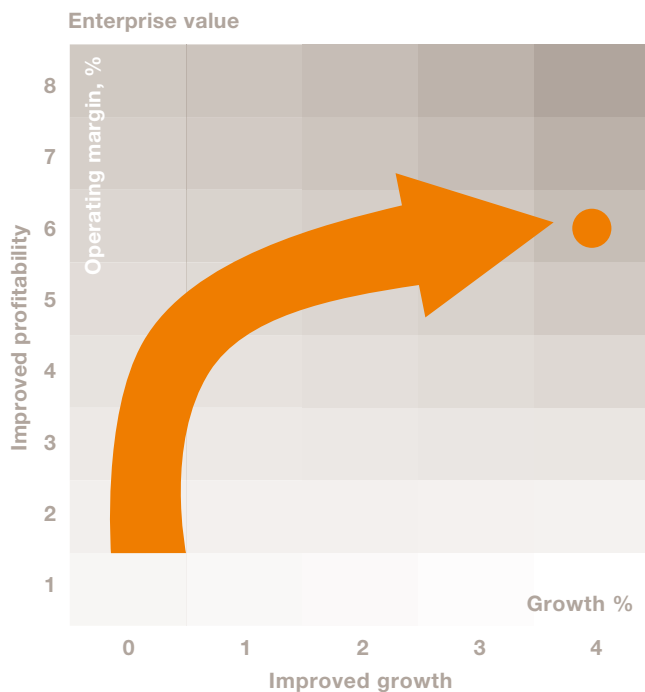
A high pace of innovation, and improved cost efficiency, combined with a global premium brand and a global service network, generated a record-high operating margin for Professional Products.

Action plan – to generate added value

Electrolux can increase the pace of future growth through innovative products, a strong brand in the premium segment and the utilization of global economies of scale. The aim is to grow faster than the market, at least 4% per year, and to achieve this while maintaining profitability. What is required to realize this target?

ACTIVITIES

- Utilize global initiatives to reduce costs and increase the speed and precision of product development
- Complete the restructuring program
- Continue to expand in growth markets, organically and through acquisitions
- Further increase presence in the premium segment
- Accelerate growth in profitable product categories
- Grow through acquisitions in closely-related segments
- Continue with initiatives to turnaround weak markets and product segments



Operating margin to be improved first
Growth then becomes a priority

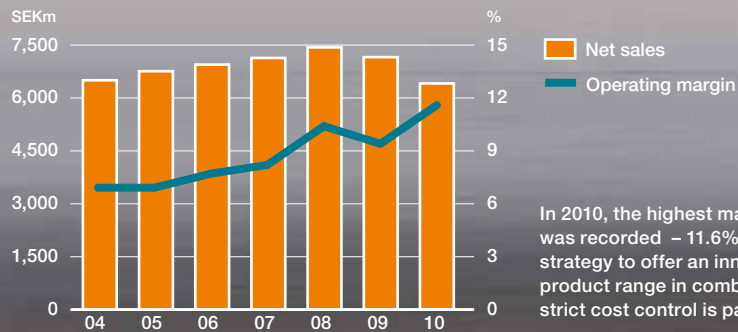
Electrolux has undergone an important and extensive transformation of operations, which has led to increased profitability and improved capital turnover. The operating margin has improved to 6.1%. Obtaining a sustainable profitability level has been prioritized before growth. Now, Electrolux will increase focus on profitable growth.

A profitable transformation of Professional Products

During the 1990s, Professional Products also included Husqvarna. Operations were diversified, unprofitable and lacked a clear market strategy. The business was in desperate need of streamlining and from 1999 to 2003, a raft of measures were implemented. Unprofitable areas were divested, the product portfolio was consolidated and production efficiency was enhanced with own-manufactured products at the core. A customer-oriented organization structure was implemented concurrent with the consolidation of the number of distribution channels. The number of brands was dramatically reduced and resources allocated to product development with the aim of creating innovative and market-leading solutions. Profitability has steadily increased and in 2010, the highest operating margin ever was recorded – 11.6%.

- 1 Investments in product development and concentration of product portfolio
- 2 Increased efficiency within production, marketing and sales organization
- 3 Focus on Electrolux as a global premium brand
- 4 Development of a global service network

A profitable transformation



AIR-O-STEAM



The air-o-steam Touchline combi-oven guarantees a simple and intuitive way of preparing food in all kinds of professional kitchens, from industrial kitchens to the most prominent restaurants.

1 High pace of innovation ...

The product portfolio has been successively concentrated with a relatively large proportion of net sales invested in product development to maintain a high rate of innovation to meet customer needs and to keep ahead of the competition. Professional Products has control of approximately 200 exclusive patents and has innovative laboratories and dedicated design departments that ensure that the products manufactured exceed customer expectations.

2 ... improved cost efficiency ...

Production has been made progressively more efficient and the proportion of own-manufactured products has increased. The marketing and sales organization has been adapted to customer needs in the various markets.

3 ... focus on Electrolux as a global premium brand ...

From consisting of a number of local brands with ambiguous target groups, the business has been refocused as a global brand with an extremely strong and clear identity. Electrolux is the only operator in professional products that provides complete solutions for professional kitchens and laundries. Many of the chefs in the Guide Michelin use kitchen equipment supplied by Electrolux.

Thinking of you
 Electrolux



Green solutions ...

Sustainability is an important driving force for development in professional kitchens and laundries. Electrolux has designed innovative product solutions that reduce the consumption of resources and result in lower wear. The most energy-efficient products are sold under the Green Spirit denomination.



4 ... and a global service network ...

Products sold to professional users are subject to extreme wear and tear, and inoperative appliances cost our customers money. Electrolux has developed a global service network in more than 100 countries, which constitutes an important competitive advantage.

... has generated a record-high operating margin.

Streamlining, increasing efficiency and investments in marketing and product development have increased the operating margin from 6.9% in 2004 to 11.6% in 2010. The next step is to focus on profitable growth through sales to new markets and new customer groups.

... and innovations provide mutual benefit.

Innovations in Professional Products have facilitated the development of new products for Consumer Durables. A strong global premium brand in Consumer Durables promotes the sales of products bearing the same brand in Professional Products. In addition, both benefit from strong consumer trends, including the need for more efficient products, the growing level of interest in preparing food and the increasing desire for open-plan kitchens.

Sustainability strategy

A fast-changing world: A growing middle class. Increasingly constrained resources. Climate change. In these challenges, Electrolux sees opportunities. Through streamlining operations, efficient and smart products and active participation in the global community, the Group is integrating sustainability more deeply into its business.

To be a leader in its industry, Electrolux must lead in sustainability. The Group therefore intensified its work with its sustainability strategy encompassing how the Group runs its operations, designs products, communicates with consumers and strengthens the brand.

In addition, Electrolux seeks to lead by example by instilling high environmental and labor standards through its responsible sourcing program and a strong commitment to business ethics with a newly developed employee ethics program.

Building leadership is a long-term commitment and the Group has demonstrated that it is up to the challenge. In 2010 and for the fourth consecutive year, Electrolux was recognized as leader in the consumer durables industry sector in the prestigious Dow Jones Sustainability World Index. Electrolux thereby ranks among the top 10% of the 2,500 largest companies for social and environmental performance.

Three-part climate strategy

- 1 Innovating and promoting efficient products
- 2 Raising awareness on the importance of energy-efficient appliances
- 3 Reducing energy use in operations

Operational efficiency

By streamlining operations and creating safe workplaces, Electrolux combines lowering its impact on the environment and people with reducing costs and risks. In fact, by achieving its energy-reduction target in 2012, the Group will save approximately SEK 200m annually compared with 2005 energy costs.

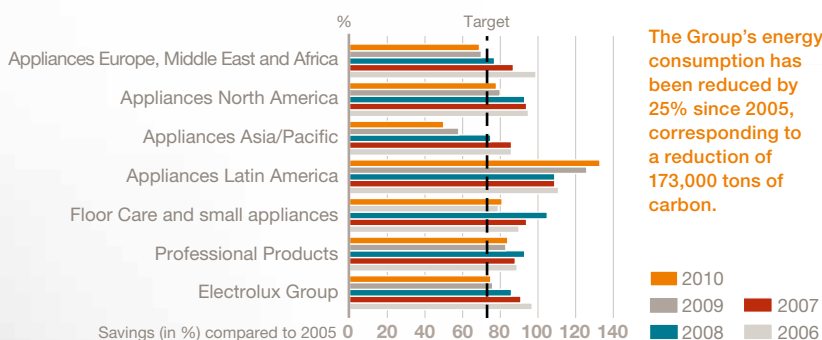
Objectives

- Reduce the Group's environmental footprint in the short and long term, in part by achieving a 28% absolute reduction of energy use by 2012 compared with 2005 consumption.
- In terms of health and safety, operate 25% of Group plants at best practice levels for the manufacturing industry by 2016; with the vision of achieving accident-free facilities.

Performance

- An accumulated 25% reduction of energy use since 2005, in line with the 2012 target.
- Set targets for reducing transport emissions and water.
- Created an organization, developed a management system and established global targets for health and safety.

2012 Energy-savings target (GRI EN18)

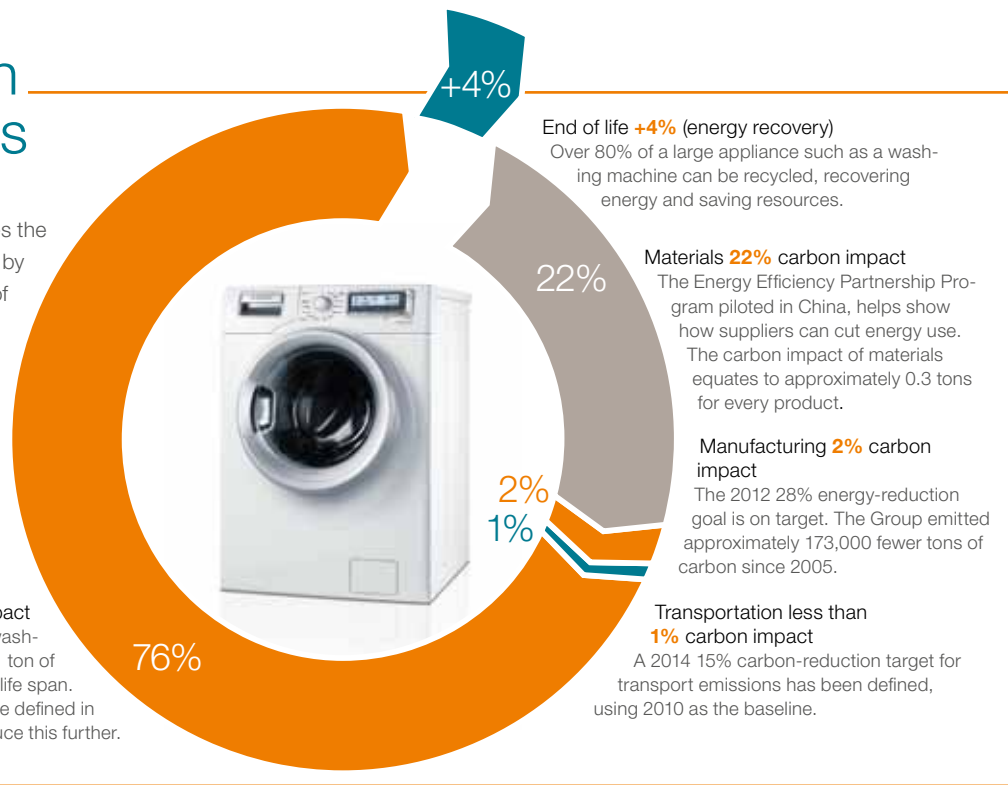


Cutting carbon where it counts

The product life-cycle approach guides the Group in reducing its carbon footprint by indicating the carbon dioxide impact of raw-material extraction, manufacturing, transportation, use and end-of-life treatment.

Source: Öko Institute.V.'s LCA of a washing machine, 2004.

Products in use 76% carbon impact
Through its consumption of energy, a washing machine in operation emits about 1 ton of carbon dioxide in a typical 10-year life span. Product-efficiency targets will be defined in 2011 to reduce this further.



End of life +4% (energy recovery)
Over 80% of a large appliance such as a washing machine can be recycled, recovering energy and saving resources.

Materials 22% carbon impact
The Energy Efficiency Partnership Program piloted in China, helps show how suppliers can cut energy use. The carbon impact of materials equates to approximately 0.3 tons for every product.

Manufacturing 2% carbon impact
The 2012 28% energy-reduction goal is on target. The Group emitted approximately 173,000 fewer tons of carbon since 2005.

Transportation less than 1% carbon impact
A 2014 15% carbon-reduction target for transport emissions has been defined, using 2010 as the baseline.

Product excellence

Electrolux makes it easier for consumers to save energy and water. By employing the best available technology, the Group is meeting the needs of a growing urban middle class and future generations.



Objectives

- Improve environmental performance of appliances and set long-term product targets for energy, water and chemical use.

Performance

- Electrolux established a methodology for setting and verifying long-term and short-term targets across product ranges in main markets.
- Sales of the Group's green ranges, the most energy- and water-efficient appliances, accounted for 22% of sold units.
- Sustainable innovation is among the top four priorities in the Group's R&D program.

Engaged in society

Electrolux engages with stakeholders across its value chain, from suppliers to customers, consumers and business partners as well as NGOs. This collaboration leads to innovative solutions to complex challenges such as championing efficient appliances and promoting sustainable consumption.

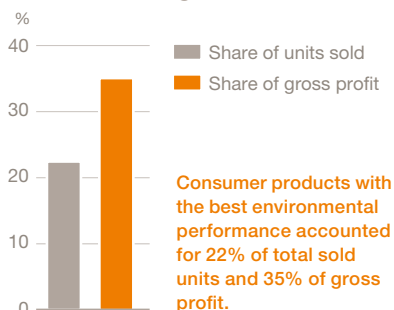
Objectives

- Shape future markets through sustainable products and active communication to raise awareness.
- Create partnerships and engage with stakeholders.
- Build trust through dialog, transparency and openness.

Performance

- Engaged suppliers in the Group's energy-efficiency objectives, as part of the value chain approach.
- Participation in Stockholm's Royal Seaport urban development project is one example of the Group's partnership approach. Electrolux is contributing with a cutting-edge application of smart-grid technology in household appliances.
- Raised public awareness of the growing volume of plastic waste in the world's oceans and how it can be used.

Global Green Range



UN Global Compact

Electrolux supports the UN Global Compact principles on human rights, labor, environment and anti-corruption. The Electrolux Code of Ethics, Workplace Code of Conduct, Policy on Bribery and corruption and Environmental Policy align with these principles.



From trash to treasure

In Vac from the Sea, Electrolux is raising awareness about plastic waste in the ocean – plastic that could instead be re-used for more sustainable products. Through innovative product design and information campaigns, Electrolux is triggering engagement in an emerging environmental issue across the value chain, from suppliers to consumers.

Sustainable products get a boost

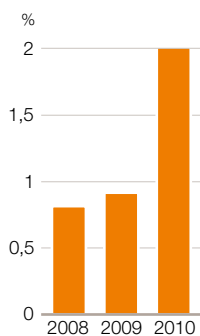
When plastic gets trashed rather than treasured, it contributes to the shortage of recycled material. Vac from the Sea, an awareness-raising campaign to highlight the problem of plastic waste in the oceans, helped spark public debate about an issue relevant to Electrolux. The Floor Care Green Range currently contains up to 70% post-consumer recycled material; the lack of certain types of high-grade recycled plastic is a barrier to increasing the share in more products.

The long-term objectives of Vac from the Sea are three-fold: to trigger widespread attention on a shared societal challenge, to stimulate greater supply of recycled material in the market and to boost sales of green products. The outcome has exceeded expectations within all three of these aims. In fact, net sales of Floor Care Green Range products doubled during 2010.

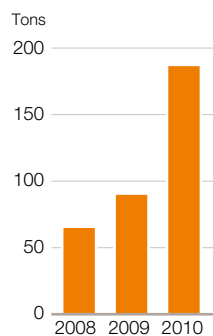


The Electrolux Floor Care Green Range will be launched on every continent during 2011. The range contains high-grade plastics recycled from such sources as carparts.

Sales of Floor Care Green Range products 2008–2010



Volume of recycled material used in Green Range products



Sales of Floor Care's Green Range have increased from 1% to 2% of the total net sales of vacuum cleaners. The volume of recycled material used for the Floor Care's Green Range has increased over 190% in a three-year period.



To illustrate the potential of trash-turned-treasure, Electrolux designed five unique concept vacuum cleaners, using plastics found in each of the world's oceans.



Large concentrations of plastic debris are collected in the North Pacific Gyre, the most heavily-researched area for plastic pollution. The gyre spans waters roughly twice the size of the United States. Source: 5Gyres.

135
million viewers

Building partnerships

In Vac from the Sea, there is an opportunity to connect the dots – to bring together individuals and organizations across the entire value chain to solve a complex sustainability challenge. In addition to engaging suppliers, the initiative is intended to inspire take-back schemes and recycling efforts.

Joining forces

Partnering with environmental organizations, such as the US-based Algalita and 5Gyres, volunteers in the project gather plastics from marine environments around the world. The Electrolux concept vacuum cleaners, made from plastics found in each of the world's five oceans, illustrate the importance of their efforts.

Focusing on longevity rather than disposability, recycled plastics have the potential to benefit society, reduce pollution and create more sustainable products. Electrolux is working with its suppliers to increase the availability and quality of post-consumer, recycled material.

Eye-opener

People feel connected to oceans and are passionate about their conservation. A total of 135 million people have been engaged, either through print, online or social media. This includes:

- 782,000 hits on the Vac from the Sea website as of year-end
- Second most frequently visited Electrolux website
- One re-tweet about the project every other minute during launch

The initiative won a number of PR awards in 2010, including gold medals in the European Excellence Awards for Best International Communication and Best Campaign. Eurobest, the European Championship in Marketing, awarded Electrolux two silvers and a bronze medal. Vac from the Sea was also presented at the UN climate conference COP16 in Mexico in December.

Progress on Vac from the Sea can be tracked at:

- www.electrolux.com/vacfromthesea
- <http://twitter.com/vacfromthesea>

Working at Electrolux

Electrolux aims to recruit, develop and retain the best talent for the long term. Our People Vision sets the direction: to create an innovative culture with diverse, outstanding employees who drive change and go beyond what is required to deliver on Group strategy and performance objectives.

“Let us have the courage to make new discoveries and promote them through our actions. And let our old way of thinking be replaced by a new way, a way that leads to even greater performance and fantastic new advancements.” Axel Wenner-Gren, founder of Electrolux.

A culture of innovation and employees with diverse backgrounds creates the prerequisites for developing innovative products, discovering new work methods, solving problems and performing beyond expectations. Just as in the time of Axel Wenner-Gren, the Electrolux of today has a number of awards to recognize outstanding employee performance. These contribute to the company maintaining its leading position in the industry. Read more about some of the awards and the winning ideas and teams behind them at the bottom of this spread.



Whether you are a team of 20 or two, Electrolux wants to reward great ideas. It could be for developing a new product, streamlining a complex process or achieving great results in promoting Electrolux brands.

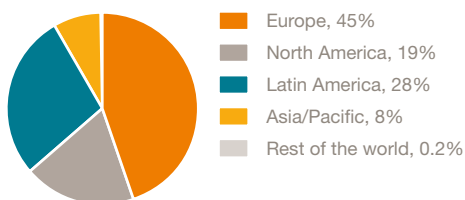


Brand Award 2008
North America

Product Award 2009
Brazil

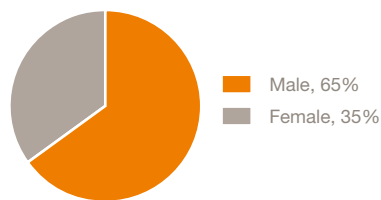


Employees by geographical area (GRI LA1)



Electrolux has more than 50,000 employees. Wherever Electrolux operates in the world, the company applies the same high standards and principles of conduct.

Gender distribution



Each year, the Electrolux Brand Award is conferred on the team that has achieved the greatest success in terms of increasing brand awareness for and building of the Electrolux brand. The winners in 2008 were the team behind the broad launch of premium-segment appliances in North America. Highly-effective marketing of innovative products with exquisite design yielded a substantial increase in brand awareness for the Electrolux brand among North American consumers.

Electrolux corporate culture

Electrolux corporate culture is imbued with the spirit from the time of its founder, Axel Wenner-Gren. His success was built on proximity to customers and the ability to identify new business opportunities ahead of others. The Electrolux corporate culture in combination with a strong set of values form the core of the Group's operations. The employees' passion for innovation, their consumer obsession and motivation to achieve results set Electrolux apart. Values such as respect, diversity, integrity, ethics, safety and sustainability are at the core of all employee actions when they interact with customers and colleagues around the globe.



Passion for Innovation

We are constantly looking to renew ourselves through new opportunities and new ways of going forward with our customer always at the center. We learn and gain inspiration from each other, are always open to new ideas and are not afraid of taking risks.



Customer Obsession

The demands, wishes and views of our customers guide our every action, and we are curious to learn more about their needs. We capture insights and anticipate our customers' future needs with the aim of delivering the best customer experience.



Drive for Results

We strive for a visible, measurable and balanced benefit in everything we do. We recognize and reward results that contribute to the greater good and our overall strategy.

A number of important tools are available within Electrolux to obtain Electrolux People Vision:

- Leadership development
- Talent Management and succession planning
- OLM, an internal database for vacant positions
- EES, a web-based personnel survey

Read more at www.electrolux.com

Invention Award 2009
Europe

EMS Best Practices Award 2009
Thailand

Brand Award 2010
Australia



The Electrolux Product Award is in recognition of product development in the Group and focuses on all aspects of the process from consumer insight to launch. The winner of the main category in 2009 was the Infinity refrigerator project in Latin America. The Electrolux Infinity is the largest refrigerator in its category in Latin America. The Infinity is the result of the development team creating an entirely new type of refrigerator based on the kitchen needs of Latin American homes.



The Invention Award, which was bestowed for the first time in 2009, rewards the development of a new function or technology in new products. The award is conferred on the individual or team behind the invention. The winner in 2009 was the European team behind a new environmentally friendly and energy-saving technology for tumble-dryers incorporating a built-in heat pump.



The Electrolux Manufacturing System (EMS) Global Best Practices Award recognizes significant and continuous improvement in safety, quality, cost and delivery. The Rayong plant in Thailand received the award in 2009 for its project to improve the production efficiency of tumble-dryer manufacturing. A successful solution was introduced that enabled the production line and suppliers to handle the substantial upswings in production that occur every six months due to seasonal factors.



The Brand Award is presented in recognition of brand achievements in the Group. The efforts of Electrolux Australia to reposition the Electrolux brand from an old-fashioned brand for vacuum cleaners to a modern brand for appliances resulted in their selection as the 2010 winner. The campaign, run entirely in line with the brand manual, conducted a dialog with consumers at all levels and achieved outstanding results.

Electrolux and the capital market

Electrolux communication with the capital market aims at supplying relevant, reliable, accurate and updated information about the Group's development and financial position.

Financial information is supplied continuously in annual and interim reports. Telephone conferences are arranged in connection with the publication of interim reports, at which Group Management presents results and analyses. Additional market and financial information is available on the Group's website.

The Electrolux Investor Relations department arranges approximately 300 meetings annually for investors and analysts. About one-third of these are attended by Group Management. Meetings with investors are held at the Group's headoffice in Stockholm, Sweden, as well as in the form of roadshows, primarily in major financial markets in Europe and the US. Electrolux also interacts daily with the capital market.

Capital Markets Day in Stockholm

On November 12, Electrolux arranged a Capital Markets Day in Stockholm to provide the market with more in-depth information regarding Electrolux. The main messages were:

- Electrolux is a consumer-driven company undergoing change that will continue to launch new products with support from investments in the brand and in product development.
- Electrolux has successfully completed the transformation from a manufacturing-driven company to a consumer-driven company.
- The Electrolux goal of generating an operating margin, excluding items affecting comparability, of 6% and more is sustainable over a business cycle.
- Electrolux will achieve growth exceeding 4% through acquisitions and organic growth.
- The Electrolux Global Operations program will generate SEK 2–2.5 billion in savings.



Marcus Wallenberg, Chairman of the Board, and Hans Stråberg, previous President and CEO, Electrolux, attended at the Electrolux 80-year anniversary at Nasdaq OMX Stockholm.

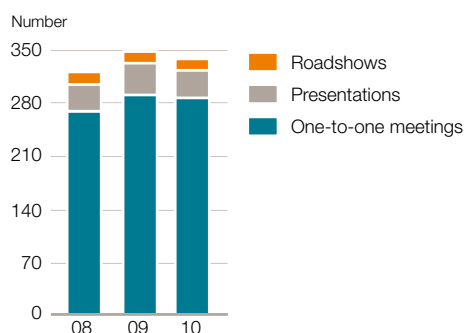
Electrolux – 80 years on the stock exchange

In 2010, the Electrolux share celebrated 80 years of being listed on the Swedish stock exchange. In 1930, the share capital of Electrolux amounted to SEK 60m compared with the present share capital of SEK 1,545m. In its first year as a listed company on the Stockholm Stock Exchange, the company recorded a net profit of SEK 8m. Back then, the headquarters was located at Norrmalmstorg, and the first factory on the island Lilla Essingen in Stockholm, Sweden.

From sales of SEK 70m in 1928, Electrolux has grown into a substantial international company with sales in excess of SEK 100 billion and over 50,000 employees.

Electrolux shares have previously also been listed on the London (1928–2010), Geneva (1955–1996), Oslo (1981–1991), Paris (1983–2003), Basel (1987–1996), Zurich (1987–2003) stock exchanges and on the Nasdaq in the US (1987–2005).

IR activities



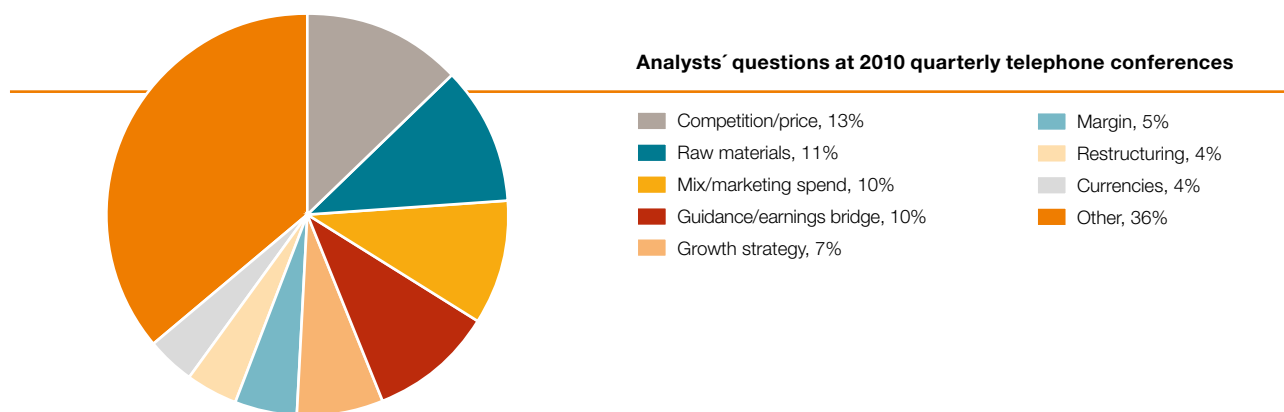
Financial goals

Electrolux has defined financial goals for operating margin, return on net assets, growth and capital structure.

Type of goal	Goal
Operating margin ¹⁾	>6%
Annual average growth	>4%
Capital-turnover rate	>4
Return on net assets	>25%

1) Excluding items affecting comparability, over a business cycle.

Frequently asked questions by analysts



► **Describe the competitive landscape for Electrolux in 2010 and its impact on prices.**

Following strict price discipline in 2008 and 2009, declining prices affected Electrolux negatively in 2010. In the second half of 2010, we saw temporary sales campaigns in North America. In Europe, the level of competition increased in the second half of the year. Price pressure was evident in Russia, Southern Europe and the Nordic region, partly due to currency-related fluctuations. Price pressure also prevailed in Australia.

► **How have the prices of raw materials affected the Group in 2010?**

Electrolux purchased raw materials for SEK 20 billion in 2010. The single largest cost was the procurement of steel, which amounted to almost half the total cost. In addition to higher steel prices, the Group was affected by higher prices for plastic and base metals. Compared with 2009, costs for raw materials were about SEK 1 billion higher in 2010. Raw-material prices affect the Group in the short-term. In the long term, Electrolux offsets higher raw-material prices through cost savings, mix improvements and price increases.

► **What can you say about the continued positive trend of the product mix?**

Improving our mix is central to our strategy. In recent years, despite weak markets, we have successfully launched new products at higher sales prices, which has also improved our results. In 2010, we relaunched the majority of our base offering in North America under the Frigidaire brand. Towards the end of the year, we commenced a very important launch of built-in products in Europe. In Latin America, we continued to launch new products at a rapid pace. The product mix had a positive effect on our results for 2010.

► **What is your strategy for growth?**

Since we have improved our operating margin in parallel with strengthening our balance sheet, we can now also focus on growth. Our prioritized areas of growth are primarily expanding in emerging markets and specific product areas. We aim to grow organically but will support this growth with acquisitions.

► **What are the future prospects for your operating and gross margins?**

Through new innovative products, we aim to improve our offering with products we can sell at higher prices. The higher prices will improve our gross margin. An improved gross margin will enable us to invest more in product development and marketing, which in turn will enhance the gross margin. This is a very long-term strategy that will provide ongoing effects over many years.

► **Can you provide us with an update regarding your extensive restructuring program?**

In response to global competition, Electrolux has been implementing an extensive restructuring program since 2004. Plants have been closed in high-cost areas, including the US, Germany and Australia, and new plants built in Mexico, Eastern Europe, Thailand etc. In total, the program will include costs of approximately SEK 8.5 billion and generate annual savings of approximately SEK 3.4 billion. During 2011, the final restructuring decisions in the program is expected to be taken.

► **How have currencies affected you in 2010?**

Normally, Electrolux is not particularly affected by currency movements since we have both sales and production globally. After the substantial fluctuations in 2009 and 2010, the currency effect became significant in 2010. Electrolux benefitted primarily from the advantageous exchange rates for the AUD, BRL, USD and EUR.

The Electrolux share

Dividend

The Board of Directors proposes a dividend for 2010 of SEK 6.50 per share, equivalent to a total dividend payment of approximately SEK 1,850m. The proposed dividend corresponds to approximately 40% of income for the period, excluding items affecting comparability.

The Group's goal is for the dividend to correspond to at least 30% of income for the period, excluding items affecting comparability. For a number of years, the dividend level has been considerably higher than 30%.

Development of the Electrolux share

Following very strong income and share-price development in 2009, the market had very high expectations for the performance of Electrolux at the beginning of 2010. Despite noting strong income in the fourth quarter of 2009, the share price dropped on presentation of the year-end report. The share subsequently recovered and outperformed the Affärsvärlden General Index during the first half of 2010.

The income reported by Electrolux in the third quarter of 2010 was relatively strong and the Group also reconfirmed it could reach its goal of an operating margin of 6%, excluding items affecting comparability. However, the Electrolux share displayed slightly weaker development than the Affärsvärlden General Index, primarily due to market concerns surrounding sales prices and the cost of raw materials. The share price recovered towards the end of the year and reached its all-time high, partly due to the strong upswing in the Swedish stock market.

Yield

The opening price for the Electrolux B-share in 2010 was SEK 167.50. The highest closing price was SEK 194.70 on December 29. The lowest closing price was SEK 142.50 on August 31. The closing price for the B-share at year-end 2010 was SEK 191.00, which was 14% higher than at year-end 2009. Total return during the year was 17%. The market capitalization of Electrolux at year-end 2010 was approximately SEK 60 billion (48), which corresponded to 1.4% (1.4) of the total value of Nasdaq OMX Stockholm.

Over the past ten years, the average total return on an investment in Electrolux shares was 25.5%. The corresponding figure for SIX Return Index was 10.6%.

Share volatility

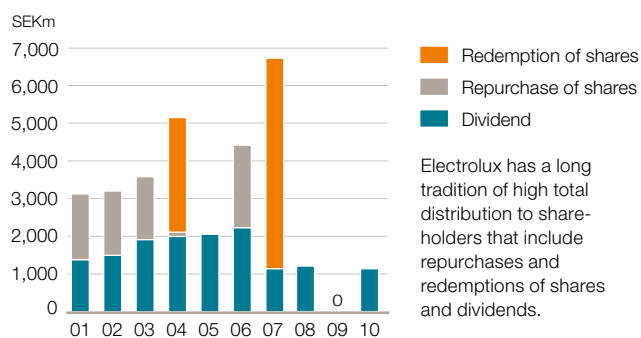
Over the past three years, the Electrolux share has shown a volatility of 48% (daily values), compared with an average volatility of 31% for a large cap company on Nasdaq OMX Stockholm. The beta value of the Electrolux share over the past five years is 1.25*. A beta value of more than 1 indicates that the share's sensitivity to market fluctuations is above average.

*) Compared with OMX Stockholm All-Share (OMXSPI).

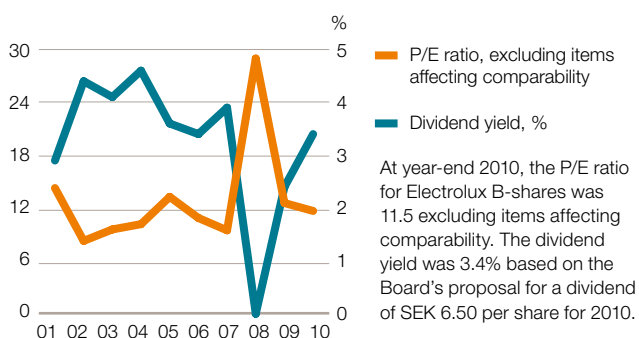
Conversion of shares

In accordance with the Articles of Association of Electrolux, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the company. In January 2010, at the request of shareholders, 439,150 A-shares were converted to B-shares.

Total distribution to shareholders



P/E ratio and dividend yield



Trading volume

The Electrolux share is listed on Nasdaq OMX Stockholm. Due to the deregulation of international capital markets and the increased foreign ownership of shares on Nasdaq OMX Stockholm, the listing on the London Stock Exchange (LSE) was no longer deemed necessary. After being listed on the LSE since 1928, the Electrolux B-share was delisted from the LSE on March 11.

There has recently been a clear trend towards new trading venues for shares. During 2010, 41% of Electrolux B-shares were traded outside Nasdaq OMX Stockholm, compared with 28% during 2009. In 2010, the Electrolux share accounted for 3.0% (2.7) of the shares traded on Nasdaq OMX Stockholm, of a total trading volume of SEK 3,627 billion (3,393).

Trade in Electrolux B-shares	2010	2009
Number of traded shares, million	656.9	805.9
Value of traded shares, SEKbn	110.5	90.2
Average daily trading volume, million	2.6	3.2
Average daily trading volume (value), SEKm	436	359
Number of issued/cancelled ADRs	1,565,380	1,149,300
Number of ADRs outstanding	646,363	1,349,731
Market share		
Nasdaq OMX Stockholm, %	59.3	72.1
London Stock Exchange, %	0.3	1.0
BOAT, %	17.6	13.3
Chi-X, %	12.9	9.5
Turquoise, %	2.2	2.4
BATS Europe, %	4.3	0.5
Other	3.4	1.2
Total	100.0	100.0

Average daily trading value of Electrolux shares on Nasdaq OMX Stockholm

SEK thousand	2010	2009	2008	2007	2006
A-shares	148	228	425	47	248
B-shares	435,958	358,962	364,400	523,817	407,104

In 2010, on average 2.6 million Electrolux shares were traded daily on Nasdaq OMX Stockholm.

DJSI World Index

The Group's sustainability performance and strategy helps attract and strengthen relations with investors. In 2010 and for the fourth consecutive year, Electrolux was recognized as leader in the consumer durables industry sector in the prestigious Dow Jones Sustainability Index (DJSI). Electrolux thereby ranks among the top 10% of the world's 2,500 largest companies for social and environmental performance. With 70 DJSI licenses in 19 countries, assets managers with DJSI portfolios valued at USD 8 billion are recommended to invest in Electrolux.



Share data

Share listing ¹⁾	Stockholm
Number of shares	308,920,308
of which A-shares ²⁾	9,063,125
of which B-shares ²⁾	299,857,183
Number of shares after repurchase	284,665,223
Quota value	SEK 5
Market capitalization at December 31, 2010	SEK 60 billion
GLCS code ³⁾	25201040
Ticker codes	Reuters ELUXb.ST Bloomberg ELUXB SS

1) Trading in Electrolux ADRs was transferred from Nasdaq to the US Over-the-Counter market as of March 31, 2005. One ADR corresponds to two B-shares.

2) In January 2010, at the request of shareholders, A-shares were converted into B-shares. See page 64.

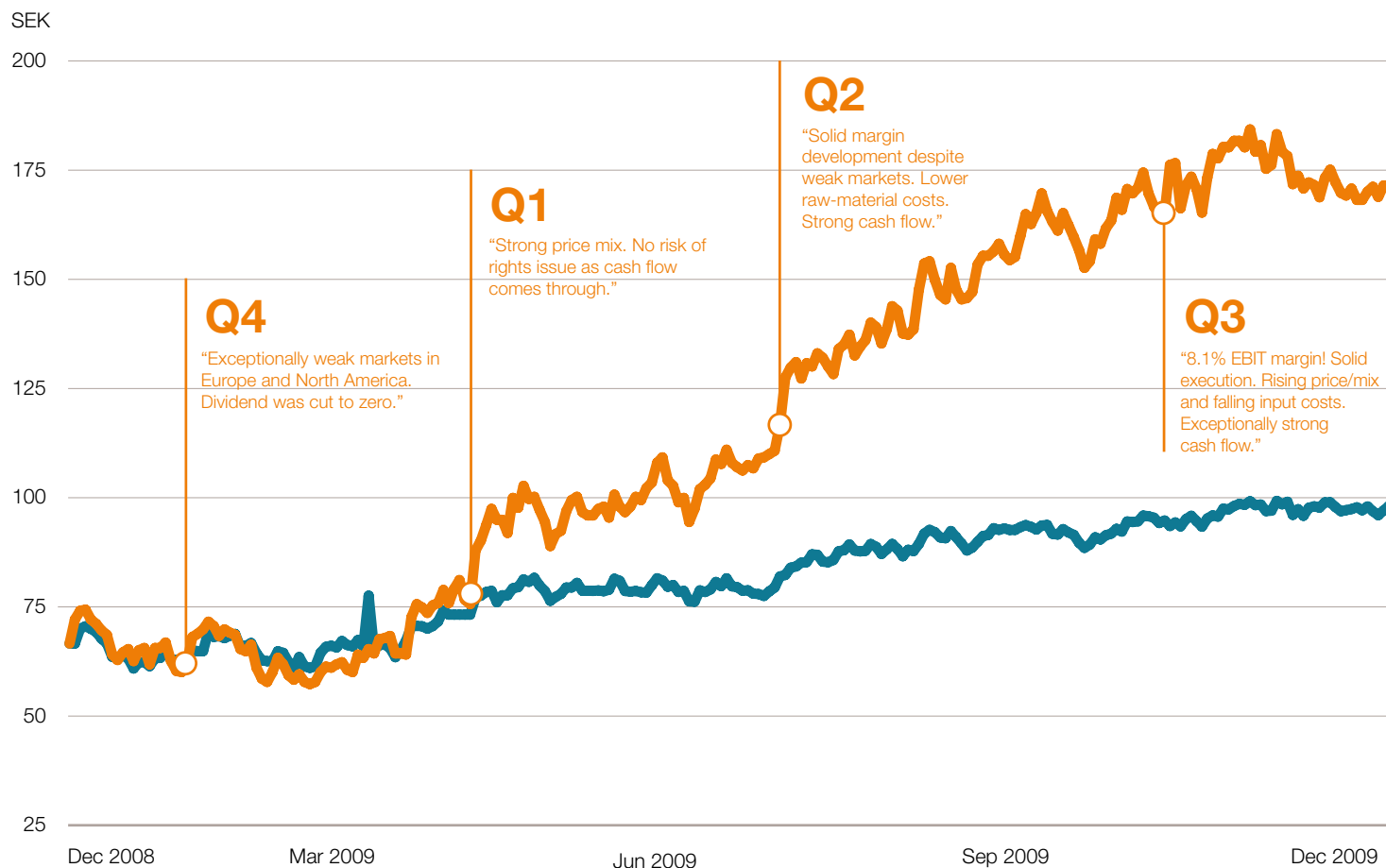
3) MSCI's Global Industry Classification Standard (used for securities).

Total return of Electrolux B-shares and trading volume on Nasdaq OMX Stockholm, 2006–2010



Electrolux B vs Swedish index

The Electrolux share-price development was strong in 2009. In 2010, expectations were high. The share price increased, however, and reached all-time high by the end of the year. Solid results and a strong stock market development were the main reasons.



EXTERNAL FACTORS	Declining market prices for raw materials. Deep recession in Europe and North America.	Demand in North America stabilizes. Robust growth in Brazil.	Leading retailer in Europe goes bankrupt.
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ELECTROLUX INITIATIVES	Price increases in Europe at beginning of 2009. Structural improvements in working capital. Decision not to pay a dividend. Global savings program – >3,000 people given notice. Production stop – adjustment of inventory levels. Decision to close the Changsha plant in China.	Decision to shut the plants in Webster City in the US and Alcalà in Spain. Utilize the global presence through a new organization. Decision to close the Saint Petersburg plant in Russia and improve efficiency at the Porcia plant in Italy. Pension liability reduced.	Reduced exposure to unprofitable product categories in North America.
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Recommendations from analysts	After Q4 2008	After Q1 2009	After Q2 2009	After Q3 2009
Buy	20%	33%	53%	47%
Hold	27%	33%	40%	33%
Sell	53%	33%	7%	20%

Ownership structure

The majority of the total share capital as of December 31, 2010, was owned by Swedish institutions and mutual funds (approximately 66%). At year-end, approximately 9% of the shares were owned by Swedish private investors.

During the year, the proportion held by foreign owners decreased and amounted to approximately 25% at the end of the year. The volume of shares traded by foreign owners has a significant effect on share liquidity. Foreign investors are not always recorded in the share register. Foreign banks and other custodians may be registered for one or several customers' shares, and the actual owners are then usually not displayed in the register.

Incentive programs

Electrolux maintains a number of long-term incentive programs for senior management. Since 2004, the Group has performance-based share programs.

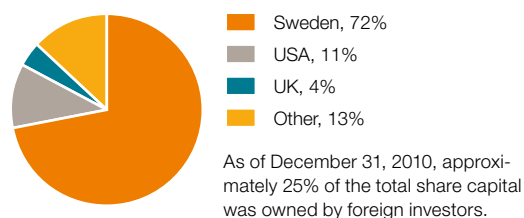
During 2010, senior managers in Electrolux purchased 243,756 B-shares under the terms of the employee stock option programs. No B-shares were allotted under the 2007 performance-based share program. At year-end 2010, the incentive programs corresponded to a maximum dilution of 0.96% of the total number of shares, or 2,766,934 B-shares.

Major shareholders

	Number of A-shares	Number of B-shares	Total number of shares	Share capital, %	Voting rights, %
Investor	8,270,771	33,895,362	42,166,133	13.6	29.9
Alecta Pension Insurance	500,000	25,405,000	25,905,000	8.4	7.8
BlackRock Funds		16,951,158	16,951,158	5.5	4.3
AMF Insurance & Funds		14,275,000	14,275,000	4.6	3.7
Swedbank Robur Funds		11,578,980	11,578,980	3.7	3.0
First Swedish National Pension Fund		6,944,272	6,944,272	2.2	1.8
Nordea Funds		5,763,303	5,763,303	1.9	1.5
SEB Funds		5,625,159	5,625,159	1.8	1.4
Second Swedish National Pension Fund		4,478,690	4,478,690	1.4	1.1
SHB Funds		4,284,066	4,284,066	1.4	1.1
Third Swedish National Pension Fund		3,893,901	3,893,901	1.3	1.0
Other shareholders	292,354	142,507,207	142,799,561	46.3	43.4
External shareholders	9,063,125	275,602,098	284,665,223	92.1	100.0
AB Electrolux		24,255,085	24,255,085	7.9	0.0
Total	9,063,125	299,857,183	308,920,308	100.0	100.0

Source: SIS Ägarservice and Electrolux as of December 31, 2010. The figures are rounded off. Information regarding ownership structure is updated quarterly on www.electrolux.com/ownership-structure

Shareholders by country



Source: SIS Ägarservice as of December 31, 2010.

Distribution of shareholdings

Shareholding	Ownership, %	Number of shareholders	As % of shareholders
1-1,000	4.3%	50,046	87.6%
1,001-10,000	5.4%	6,190	10.8%
10,001-20,000	1.4%	303	0.5%
20,001-	88.9%	621	1.1%
Total	100.0%	57,160	100%

Source: SIS Ägarservice as of December 31, 2010.

Data per share

	2010	2009	2008	2007 ⁹⁾	2006 ⁹⁾	2005	2004	2003	2002	2001
Year-end trading price, B-shares, SEK ¹⁾	191.00	167.50	66.75	108.50	116.90	89.50	65.90	67.60	58.80	66.90
Year-end trading price, B-shares, SEK	191.00	167.50	66.75	108.50	137.00	206.50	152.00	158.00	137.50	156.50
Highest trading price, B-shares, SEK	194.70	184.10	106.00	190.00	119.00	90.50	174.50	191.00	197.00	171.00
Lowest trading price, B-shares, SEK	142.50	57.50	53.50	102.00	78.50	62.00	125.50	125.50	119.50	92.00
Change in price during the year, %	14	151	-38	-7	31 ⁹⁾	36	-4	15	-12	28
Equity per share, SEK	72	66	58	57	47	88	81	89	87	88
Trading price/equity, %	264	253	116	191	247 ¹⁾	234	187	178	158	178
Dividend, SEK	6.50 ²⁾	4.00	0	4.25	4.00	7.50	7.00	6.50	6.00	4.50
Dividend as % of net income ^{3) 4)}	39	29	0	36	37	47	46	39	36	41
Dividend yield, % ⁵⁾	3.4	2.4	0	3.9	3.4 ¹⁾	3.6	4.6	4.1	4.4	2.9
Earnings per share, SEK	14.04	9.18	1.29	10.41	9.17	6.05	10.92	15.25	15.58	11.35
Earnings per share, SEK ⁴⁾	16.65	13.56	2.32	11.66	10.89	15.82	15.24	16.73	16.90	11.10
Cash flow, SEK ⁶⁾	26.98	29.16	4.22	4.54	7.53	2.45	10.81	9.15	23.14	15.55
EBIT multiple ⁷⁾	10.8	12.8	19.8	7.9	8.0 ¹⁾	16.1	9.5	6.8	5.9	10.0
EBIT multiple ^{4) 7)}	9.1	9.1	15.2	7.3	7.1 ¹⁾	9.1	6.7	6.3	5.6	9.8
P/E ratio ^{4) 8)}	11.5	12.4	28.8	9.3	10.7 ¹⁾	13.1	10.0	9.4	8.1	14.1
P/E ratio ⁸⁾	13.6	18.2	51.7	10.4	12.7 ¹⁾	34.1	13.9	10.4	8.8	13.8
Number of shareholders	57,200	52,000	52,600	52,700	59,500	60,900	63,800	60,400	59,300	58,600

1) Adjusted for distribution of Husqvarna in June 2006, and for redemption in January 2007.

2) Proposed by the Board.

3) Dividend as percent of income for the period.

4) Excluding items affecting comparability.

5) Dividend per share divided by trading price at year-end.

6) Cash flow from operations less capital expenditures, divided by the average number of shares after buy-backs.

7) Market capitalization excluding buy-backs, plus net borrowings and non-controlling interests, divided by operating income.

8) Trading price in relation to earnings per share.

9) Continuing operations.

Analysts who cover Electrolux

Company	Analyst
ABG Sundal Collier	Christer Fredriksson
Bank of America Merrill Lynch	Ben Maslen
Carnegie	Kenneth Toll Johansson
Cheuvreux	Johan Eliason
Citigroup	Natalia Mamaeva
Credit Suisse First Boston	Andre Kukhnin
Danske Bank	Carl Holmquist, Jan Bjerkeheim
Deutsche Bank	Stefan Lycke
DnB NOR Markets	Ole-Andreas Krohn
Equita	Dino Catena
Erik Penser	Johan Dahl
Execution Limited	Nick Paton, Rob Virdee
Goldman Sachs International	Samson Edmunds

Company	Analyst
Handelsbanken Capital Markets	Rasmus Engberg
HSBC	Colin Gibson
JP Morgan	Andreas Willi
Nomura	Lisa Randall
Nordea	Johan Troomé, Ann-Sofie Nordh
Redburn Partners	James Moore
SEB Enskilda	Anders Trapp, Stefan Cederberg
Standard & Poor's	Jawahar Hingorani
Swedbank	Claes Rasmuson
UBS Warburg	Olof Cederholm
Unicredit Group	James Stettler
Ålandsbanken	Fredrik Nilhov
Öhman Fondkommission	Björn Enarson

Press releases 2010

Jan 29 Conversion of shares

Feb 3 Consolidated results 2009 and CEO Hans Stråberg's comments

Feb 10 Electrolux delists from the London Stock Exchange

Feb 22 Notice convening the Annual General Meeting of AB Electrolux

Mar 2 Lorna Davis proposed new Board member of Electrolux

Mar 5 Annual Report 2009

Mar 11 Electrolux delisted from the London Stock Exchange

Mar 31 Bulletin from AB Electrolux Annual General Meeting 2010

Apr 27 Interim report January – March and CEO Hans Stråberg's comments

May 12 Electrolux is named "global superstar" by Forbes Magazine

Jul 19 Interim report January – June and CEO Hans Stråberg's comments

Aug 9 Electrolux acquires manufacturing operations in Ukraine

Aug 25 Anders Edholm appointed SVP Corporate Communications at Electrolux

Aug 27 Henrik Bergström appointed head of Floor Care & Small Appliances

Sep 2 Electrolux Annual Report ranked best in the world

Sep 7 Dates for publication of financial reports from Electrolux in 2011

Sep 10 Electrolux included in Dow Jones Sustainability World Index for the fourth consecutive year

Sep 23 Hans Stråberg to leave Electrolux and is succeeded by Keith McLoughlin as President and CEO

Sep 30 Nomination Committee appointed for Electrolux Annual General Meeting 2011

Oct 11 Electrolux signs a preliminary agreement to acquire 52% in the Egyptian company Olympic Group

Oct 27 Interim report January – September and CEO Hans Stråberg's comments

Nov 12 Electrolux hosts Capital Markets Day

Dec 7 Electrolux Annual Report named winner in the Nasdaq OMX Nordic competition

Dec 15 Electrolux to close factory in L'Assomption, Canada, and reduce its workforce in Europe

Dec 15 Electrolux to consolidate cooking manufacturing in North America

Managing risks to maximize returns

Demand stabilized in the Group's major markets during 2010. Access to credit also improved after a period of turbulence in the financial markets. However, volatile patterns in raw-material prices and downward price pressure prevailed in the Group's major markets.

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 intensified and the purchasing process for raw materials has been further streamlined. The diagram below describes the major risks and the Group's response in order to manage and minimize them.



In general, there are three types of risks: Business risks, which are normally managed by the Group's operational units; financial risks, which are handled by Group Treasury; and other risks.

Business risks

The Group's ability to improve profitability and increase shareholder return is based on three elements: innovative products, strong brands and cost-efficient operations. Realizing this potential requires effective and controlled risk management. The major risks at present are described below.

Fluctuations in demand

In 2010, demand for appliances stabilized in the major markets of Electrolux. Following three years of recession (2006–2009), the North American market grew by 5% in 2010. In Europe, demand increased somewhat in Western Europe (1%), while Eastern Europe – after a period of deep recession – grew by 6%, albeit from low levels. In Latin America, growth diminished in Brazil after the stimulus package ended, while other markets grew strongly. In the Asia/Pacific region, the Australian market stabilized and the Asian markets continued to grow healthily.

Weak demand in earlier years has resulted in Electrolux operations being run at an average of 60% capacity. Despite this, the Group successfully achieved an operating margin in excess of 6%, excluding items affecting comparability. Decisive actions and savings packages throughout the Group have proven that Electrolux can quickly adjust its cost structure when demand for the Group's products declines.

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.

During the year, pressure on prices increased in the Group's major markets. A government subsidization program for green products led to greater volatility in demand in North America. The subsidization program generated increased demand during the second quarter. When the subsidization program expired, demand declined in the third quarter, which led to higher inventory levels among producers and retailers. To maintain demand and to reduce inventory levels, campaign-driven price promotions were introduced. In Europe, prices also fell, primarily in Russia, Southern Europe and the Nordic region. Price pressure also prevailed in Australia.

Exposure to customers and suppliers

After a number of years of recession and uncertainty in the financial markets, the situation stabilized for the Group's retailers and suppliers in 2010.

Quelle of Germany, one of the Group's major retailers, went into bankruptcy in the fourth quarter of 2009. This reduced the Group's sales of appliances under private labels. New sales of appliances to IKEA in Europe partly offset the decline in volumes.

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.

Raw materials and components account for most costs

A large share of the Group's costs refers to materials. In 2010, Electrolux purchased raw materials and components for approximately SEK 44 billion, of which approximately SEK 20 billion referred to the former. The Group's exposure to raw materials comprises of mainly steel, plastics, copper and aluminum.

Market prices of raw materials increased in the first half of 2010. In the second half of the year, market prices of steel initially declined before climbing again towards the end of the period. Electrolux uses bilateral contracts to manage risks related to steel prices. Some raw materials are purchased at spot prices. The total cost of raw materials in 2010 was approximately SEK 1 billion higher than in 2009.

Restructuring for competitive production

A large share of the Group's production has been moved from high-cost to low-cost areas. The restructuring program was launched in 2004. The remaining costs for this program are expected to be taken in 2011. The total cost of the program is approximately SEK 8.5 billion and it will generate annual savings of approximately SEK 3.4 billion compared with the starting position in 2004.

Restructuring is a complex process that requires managing a number of different activities and risks. Increased costs related to relocation of production can affect income in specific quarterly periods. When relocating, Electrolux will also be dependent on the capacity of suppliers for cost-efficient delivery of components and half-finished goods.

Sensitivity analysis, year-end 2010

Risk	Change	Pre-tax earnings impact, SEKm
Raw materials		
Steel	10%	+/- 900
Plastics	10%	+/- 500
Currencies¹⁾ and interest rates		
USD/SEK	-10%	+601
EUR/SEK	-10%	+319
BRL/SEK	-10%	-314
AUD/SEK	-10%	-273
GBP/SEK	-10%	-202
Interest rate	1 percentage point	+/- 60

1) Includes translation and transaction effects.

Cost structure 2010

Cost item	% of total cost
Personnel	15%
Depreciation	3%
Fixed costs	18%
Raw materials and components	43%
Transports	6%
Product development	2%
Brand investments	2%
Other ¹⁾	29%
Variable costs	82%
Total	100%

1) Marketing, IT, energy costs, consultant costs, etc.

Electrolux exchange-rate exposure

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 is/are 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 business sectors within Electrolux can have a hedging horizon between three and eight months of forecasted flows. Hedging horizons outside this period are subject to approval from Group Treasury. It is mainly sectors within emerging markets that have a shorter hedging horizon. The business sectors are allowed to hedge forecasted flows from 60% to 80%. The effect of currency hedging is usually that currency movements that occur today have a delayed effect. Furthermore, Electrolux is affected by translation effects when the Group's sales and operating income is 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.

Sensitivity analysis of currencies

The major currencies for the Electrolux Group are the USD, EUR, AUD, BRL and GBP. The key currency pairs are presented in the map together with an explanation of how they impact the Group. In general, income for Electrolux benefits from a weak USD and EUR and from a strong AUD, BRL and GBP.

Currency effects 2010

The total currency effect (translation effects, transaction effects and net hedges) amounted to approximately SEK 660m. The translation effect was a negative SEK 130m, which was principally due to a stronger SEK, on average, relative to the USD and EUR in 2010 compared with 2009.

The transaction effect was a positive SEK 740m, which was primarily due to a stronger BRL and AUD, on average, relative to the USD, and because of the weakness of the EUR in relation to a number of European currencies in 2010 compared with 2009.

Net hedging effects amounted to a positive SEK 50m.



North America

The principal currency pairs for the North American operations are the USD/CAD and USD/MXN. A significant portion of production is conducted in Mexico and the products are later sold in USD. Accordingly, a weak MXN compared with the USD is positive for the Group. A strong CAD compared with the USD is positive for the Group, since a large portion of the costs for the Canadian products is expensed in USD (purchasing and production costs).

Latin America

The principal currency pair for the Latin American operations is the USD/BRL. Purchases of raw materials and components are priced to some extent in USD. The products are then sold in BRL. A strong BRL compared with the USD is positive for the Group.

Main translation effects: USD/SEK, EUR/SEK

Principal currency pairs Electrolux (transaction effects)

Europe

The principal currency in Europe is the EUR.
A weak EUR has a positive net effect on Group income, because European operations have greater expenses in EUR than sales in EUR.
A majority of the purchases of raw materials and components is in EUR and significant production costs are also denominated in EUR.

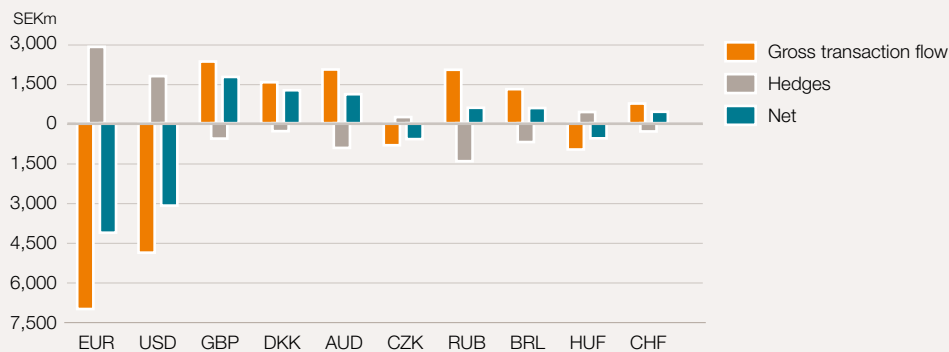
EUR/SEK
EUR/RUB
EUR/PLN
EUR/GBP
EUR/CHF
EUR/HUF
EUR/USD

Asia/Pacific

The principal currency pair for the business in the Asia/Pacific region is the USD/AUD. Purchases of raw materials and components are priced to some extent in USD. The products are later sold in AUD. A strong AUD compared with the USD is positive for the Group.

USD/AUD

Foreign-exchange transaction exposure, forecast 2011



Financial risks and commitments

The Group's financial risks are regulated in accordance with the financial policy that has been adopted by the Board of Directors. Management of these risks is centralized to Group Treasury and is based for the most part on financial instruments. Additional details regarding accounting principles, risk management and risk exposure are given in Notes 1, 2 and 18.

Financing risk

For long-term borrowings, the Group's goal is to have an average maturity of at least two years, an even spread of maturities and an average fixed-interest period of one year. At year-end 2010, Group borrowings amounted to SEK 12,096m, of which SEK 9,590m referred to long-term loans with an average maturity of 3.3 years. Loans are raised primarily in EUR and SEK. The average interest rate at year-end for the total borrowings was 3.2%. At year-end 2010, the average interest-fixing period for long-term borrowings was 0.9 years. Long-term loans totaling approximately SEK 3,300m will mature in 2011 and 2012. Liquid funds as of December 31, 2010, amounted to SEK 12,805m.

In addition, the Group has two unutilized credit facilities; the first totaling EUR 500m with a term of seven years maturing in 2012, and the second totaling SEK 3.4 billion with a term of seven years maturing in 2017. On the basis of the volume of loans and the interest-rate periods in 2010, a change of 1 percentage point in interest rates would affect Group income in the amount of +/- SEK 60m. For additional information on loans, see Notes 2 and 18.

Pension commitments

At year-end 2010, Electrolux had commitments for pensions and benefits that amounted to approximately SEK 22 billion.

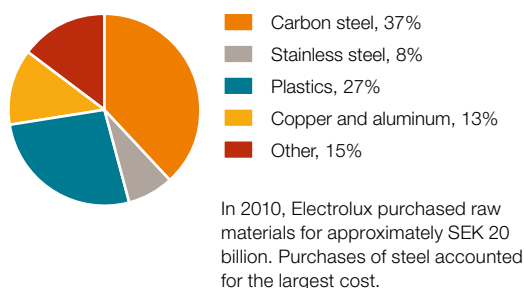
The Group manages pension assets of approximately SEK 19 billion. At year-end, approximately 42% of these assets were invested in equities, 41% in bonds, and 17% in other assets.

Net provisions for post-employment benefits amounted to SEK 957m.

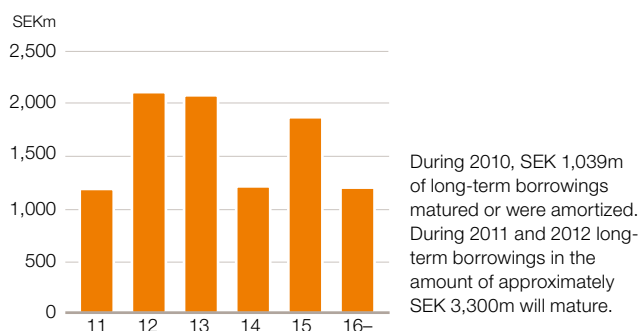
Yearly changes in the value of assets and commitments depend primarily on developments in the interest-rate market and on stock exchanges. Other factors that affect pension commitments include revised assumptions regarding average life expectancy and health-care costs.

Costs for pensions and benefits are reported in the income statement for 2010 in the amount of SEK 741m. In the interest of accurate control and cost-effective management, the Group's pension commitments are handled centrally by Group Treasury. Electrolux uses interest-rate derivatives to hedge parts of the risks related to pensions. For additional information, see Note 22.

Raw material exposure 2010



Long-term borrowings, by maturity



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Financial review 2010

Operating income improved substantially and Electrolux achieved in 2010 its operating margin target of 6% for the first time. All operations showed improvements. A better product mix and cost savings had a positive impact on income, compared to 2009.



6.1%

Electrolux achieved its margin target

Market demand increased in 2010

Demand in the North American market increased by 5% over the previous year and the European markets stabilized and increased by 2%. The market in Brazil grew in 2010, most other markets in Latin America also improved.

Key data

SEKm	2010	Change, %	2009
Net sales	106,326	-3	109,132
Operating income	5,430	44	3,761
Margin, %	5.1		3.4
Income after financial items	5,306	52	3,484
Income for the period	3,997	53	2,607
Earnings per share, SEK ¹⁾	14.04		9.18
Dividend per share, SEK	6.50 ²⁾		4.00
Cash flow from operations and investments	7,680		5,330
Average number of employees	51,544		50,633
Excluding items affecting comparability			
Items affecting comparability	-1,064		-1,561
Operating income	6,494	22	5,322
Margin, %	6.1		4.9
Income after financial items	6,370	26	5,045
Income for the period	4,739	23	3,851
Earnings per share, SEK ¹⁾	16.65		13.56

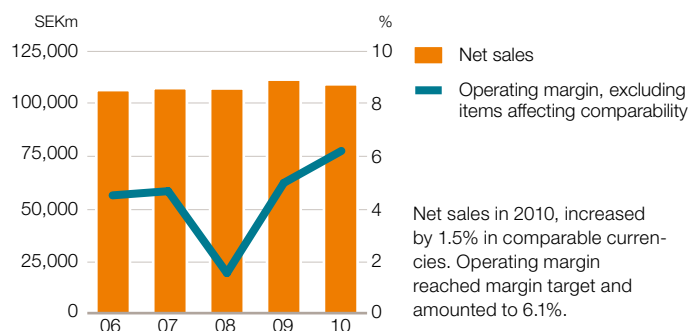
1) Basic.

2) Proposed by the Board of Directors.

Net sales improved by 1.5% in comparable currencies

Net sales increased by 1.5% in comparable currencies. Strong sales growth in Latin America and Asia/Pacific offset lower sales volumes in Europe and North America.

Net sales and operating margin



Consolidated income statement

SEKm	2010	2009
Net sales	106,326	109,132
Cost of goods sold	-82,697	-86,980
Gross operating income	23,629	22,152
Selling expenses	-11,698	-11,394
Administrative expenses	-5,428	-5,375
Other operating income/expenses	-9	-61
Items affecting comparability	-1,064	-1,561
Operating income	5,430	3,761
Margin, %	5.1	3.4
Financial items, net	-124	-277
Income after financial items	5,306	3,484
Margin, %	5.0	3.2
Taxes	-1,309	-877
Income for the period	3,997	2,607

Operating income improved

Operating income for 2010 increased to SEK 5,430m (3,761), corresponding to 5.1% (3.4) of net sales. All operations showed improvements. Improvements in product mix, cost savings and changes in exchange rates had a positive impact on income, compared to 2009.

Operating income for 2010 includes costs for the restructuring program initiated in 2004. These costs, amounting to SEK -1,064m (-1,561), are reported as items affecting comparability. Excluding items affecting comparability, operating income amounted to SEK 6,494m (5,322) and operating margin to 6.1% (4.9). In 2010, Electrolux reached the margin target of 6% for a full year for the first time.

Restructuring, items affecting comparability

In 2004, Electrolux initiated a restructuring program to make the Group's production competitive in the long term. The program will be completed in 2011 and more than half of production of appliances will be located in low-cost areas. The total cost of the pro-

gram will be approximately SEK 8.5 billion, and the program is expected to generate annual cost savings of SEK 3.4 billion with full effect as of 2013. Restructuring provisions and write-downs are reported as items affecting comparability within operating income.

Throughout 2010, Electrolux introduced a number of restructuring measures. Decisions were taken to consolidate cooking manufacturing in North America, measures were initiated to improve the efficiency in appliances factories in Italy and France, production of cookers in Sweden is to be phased out, and in Europe, the workforce within manufacturing of appliances will be reduced.

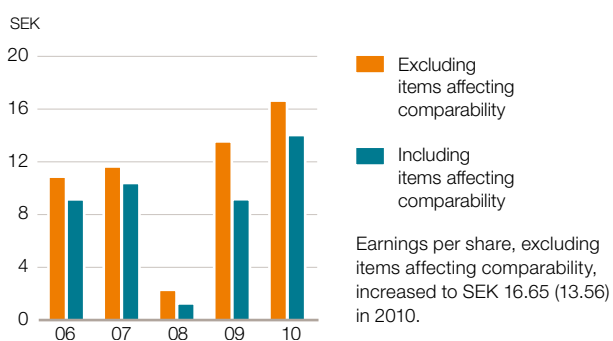
Acquisitions

As part of Electrolux strategy to grow in emerging markets, decisions were taken to expand Electrolux operations.

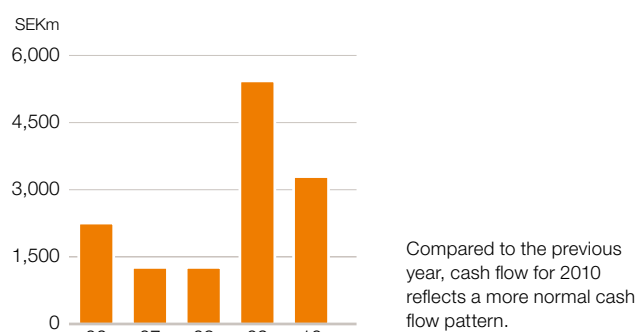
Last October, Electrolux announced its intention to acquire Olympic Group for Financial Investments S.A.E. Olympic Group is the largest manufacturer of household appliances in the fast-growing Middle East and North Africa regions. Olympic Group, listed on the Egyptian Stock Exchange, has 7,300 employees and manufactures washing machines, refrigerators, cookers and water heaters. In 2009, net sales amounted to 2.1 billion Egyptian pounds (EGP), approximately SEK 2.5 billion. Olympic Group's estimated volume market share of appliances in Egypt is approximately 30%. The acquisition is subject to satisfactory completion of the due diligence process that has been initiated, regulatory clearances and agreements on customary transaction documentation. The estimated enterprise value of Olympic Group is approximately EGP 2.7 billion or SEK 3.2 billion.

Electrolux has also signed an agreement to acquire a washing-machine factory in Ivano-Frankivsk, Ukraine, with approximately 150 employees. The acquisition strengthens Electrolux presence and manufacturing base in Central and Eastern Europe. The washer factory is acquired from Antonio Merloni S.p.A. and the purchase price is EUR 19m.

Earnings per share



Cash flow from operations and investments

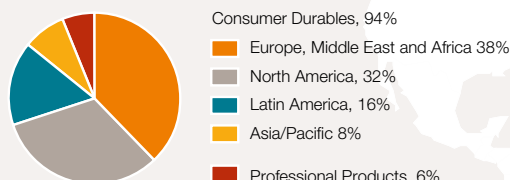


2010
PROGRESS



CONSUMER DURABLES

Share of sales by business area



32%

16%

Market overview

Demand in the North American market increased by 5% over the previous year. The growth derives from a very low level after more than three years of decline. One contributing factor to the growth in 2010 was the state-sponsored rebate program for energy-efficient products in the second quarter. Total demand in the European market stabilized in 2010 and increased by 2%, after more than two years of decline, primarily due to growth in Eastern Europe, where demand increased by 6%. Demand in Western Europe stabilized.

The market in Brazil increased in 2010 in comparison with the previous year. Most other markets in Latin America also improved. Market demand for appliances in Europe and North America is expected to show a modest growth in 2011. Demand in Europe is expected to increase by approximately 2% and demand in North America by approximately 3% in 2011.

Consumer Durables Europe Middle East and Africa

Group sales of appliances decreased in 2010, on the basis of lower volumes and lower prices in the market. Sales volumes have been impacted by the bankruptcy of the German retailer Quelle, one of the Group's largest customers at the end of 2009.

Operating income improved considerably compared to the previous year, above all due to a positive mix development. Previous employee cutbacks and cost-saving measures continued to positively impact operating income.

Group sales of floor-care products increased and operating income improved substantially. This was a result of increased sales of products in the premium segment, which improved the product mix.

Consumer Durables North America

Group sales of appliances in 2010 were in line with the previous year. Operating income increased primarily on the basis of an improved product mix. Since the end of 2009, Electrolux has been terminating certain sales contracts under private labels that have poor profitability. This has positively impacted the product mix.

Group sales of floor-care products in North America declined on the basis of lower sales volumes and price pressure in the market. Operating income declined, due to lower sales volumes, higher costs for sourced products and lower sales prices in the market.

Consumer Durables Latin America

Electrolux sales volumes in Latin America increased in 2010, which led to higher sales and increased market shares in Brazil and several other markets in Latin America. Operating income improved, primarily on the basis of higher volumes and an improved product mix. For the third consecutive year, operating income was the best ever for the operations in Latin America.

The Group's floor-care operations in Latin America showed good growth and profitability development in the year.

38%

8%

6%



PROFESSIONAL PRODUCTS

Consumer Durables Asia/Pacific

Group sales of appliances in Australia declined somewhat. Operating income improved considerably, on the basis of changes in exchange rates and improved cost efficiency.

Electrolux sales in the Southeast Asian and Chinese markets grew substantially during the year, by 35%, and the Group continued to gain market shares. The operations in Southeast Asia continued to show good profitability.

Professional Products

Sales of food-service equipment declined. This is because the Group exited a contractor of larger kitchen products in North America because of less profitability. Operating income showed a considerable improvement thanks to increased sales of Group-manufactured products, an improved customer mix and cost efficiencies.

Sales volumes of professional laundry equipment decreased. Operating income, however, improved due to price increases and increased cost efficiency.

Operating income for 2010 was the best ever for the operations in Professional Products.

Net sales and employees

10 largest countries	SEKm	Employees
USA	29,782	8,675
Brazil	14,231	11,004
Germany	5,974	1,783
Australia	5,514	1,580
Italy	4,609	6,210
Canada	4,390	1,401
France	4,223	1,182
Switzerland	3,667	875
Sweden	3,353	2,296
United Kingdom	2,898	387
Other	27,685	16,151
Total	106,326	51,544

Operating income by business area

SEKm	2010	2009
Consumer Durables, Europe Middle East and Africa	2,703	2,349
Margin, %	6.8	5.3
Consumer Durables, North America	1,574	1,476
Margin, %	4.7	4.1
Consumer Durables, Latin America	1,080	878
Margin, %	6.3	6.2
Consumer Durables, Asia/Pacific	928	458
Margin, %	10.5	5.7
Professional Products	743	668
Margin, %	11.6	9.4
Common Group costs, etc.	-534	-507
Operating income, excluding items affecting comparability	6,494	5,322
Margin, %	6.1	4.9

Working capital and net assets

SEKm	Dec. 31, 2010	% of annual- ized net sales	Dec. 31, 2009	% of annual- ized net sales
Inventories	11,130	10.2	10,050	8.8
Trade receivables	19,346	17.7	20,173	17.7
Accounts payable	-17,283	-15.8	-16,031	-14.1
Provisions	-10,009		-9,447	
Prepaid and accrued income and expenses	-7,095		-7,998	
Taxes and other assets and liabilities	-1,991		-1,901	
Working capital	-5,902	-5.4	-5,154	-4.5
Property, plant and equipment	14,630		15,315	
Goodwill	2,295		2,274	
Other non-current assets	6,706		5,197	
Deferred tax assets and liabilities	2,175		1,874	
Net assets	19,904	18.2	19,506	17.1
Average net assets	19,545	18.4	19,411	17.8

Financial position

Group equity as of December 31, 2010, amounted to SEK 20,613m (18,841), which corresponds to SEK 72.41 (66.24) per share. Net borrowings amounted to SEK -709m (665).

During 2011 and 2012, long-term borrowings amounting to approximately SEK 3,300m will mature. Liquid funds as of December 31, 2010, amounted to SEK 12,805m (13,357), excluding short-term back-up facilities.

Since 2005, Electrolux has an unutilized revolving credit facility of EUR 500m maturing 2012 and since 2010, an additional unused committed credit facility of SEK 3,400m maturing 2017.

Net borrowings

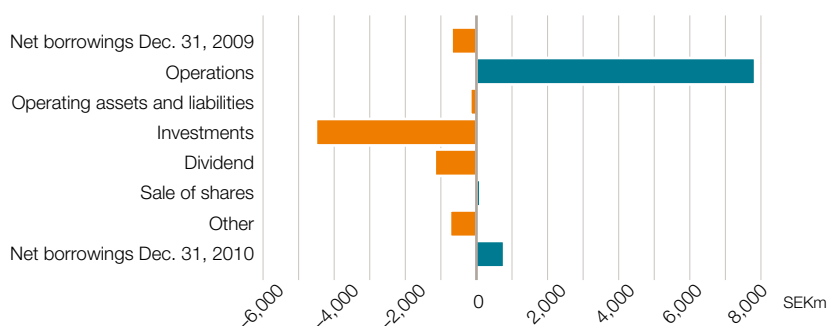
SEKm	Dec. 31, 2010	Dec. 31, 2009
Borrowings	12,096	14,022
Liquid funds	12,805	13,357
Net borrowings	-709	665
Net debt/equity ratio	-0.03	0.04
Equity	20,613	18,841
Equity per share, SEK	72.41	66.24
Return on equity, %	20.6	14.9
Equity/assets ratio, %	33.9	31.8

Cash flow

Cash flow from operations and investments in 2010 amounted to SEK 3,206m (5,330). Compared to the previous year, cash flow for 2010 reflects a more normal cash-flow pattern, with increased production, build-up of inventories and investments in new products and new capacity. Cash flow in the previous year reflected a more restrained situation with cutbacks in production and inventory levels after a long period of very weak markets. In addition, compared to the previous year, higher capital expenditure has adversely affected cash flow. Capital expenditure during 2010 increased from a low level in the previous year.

In 2009, SEK 3,935m was paid to the Group's pension funds. The payments reduced the Group's pension net debt and limited risk exposure and volatility in pension liabilities.

Cash flow and change in net borrowings



Major shareholders

	Share capital, %	Voting rights, %
Investor AB	13.6	29.9
Alecta Pension Insurance	8.4	7.8
Black Rock Funds	5.5	4.3
AMF Insurance & Funds	4.6	3.7
Swedbank Robur Funds	3.7	3.0
First Swedish National Pension Fund	2.2	1.8
Nordea Funds	1.9	1.5
SEB Funds	1.8	1.4
Second Swedish National Pension Fund	1.4	1.1
SHB Funds	1.4	1.1
Other shareholders	47.6	44.4
External shareholders	92.1	100.0
Electrolux	7.9	–
Total	100	100

Source: SIS Ägarservice and Electrolux as of December 31, 2010.
Information regarding the ownership structure is updated quarterly on www.electrolux.com/corporate-governance

Proposed dividend

The Board of Directors proposes a dividend for 2010 of SEK 6.50 (4.00) per share, for a total dividend payment of approximately SEK 1,850m (1,138), corresponding to an increase of approximately 60%. The proposed dividend corresponds to approximately 40% of income for the period, excluding items affecting comparability. Tuesday, April 5, 2011, 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, the Electrolux dividend rate has been considerably higher than 30%. Electrolux has a long tradition of high total distribution to shareholders that includes repurchases and redemptions of shares as well as dividends.

Ownership structure

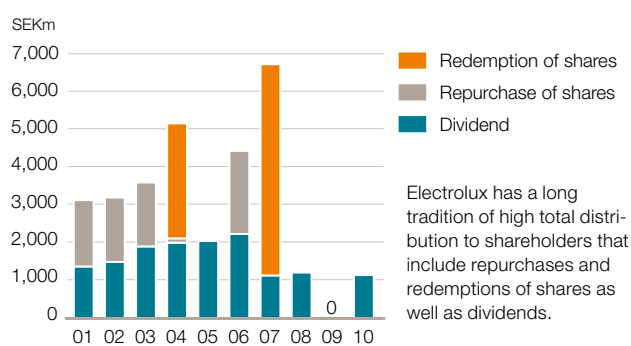
Investor AB is the largest shareholder, owning 13.6% of the share capital and 29.9% of the voting rights.

At year-end 2010, about 66% of the total share capital was owned by Swedish institutions and mutual funds, about 25% by foreign investors, and about 9% by private Swedish investors.

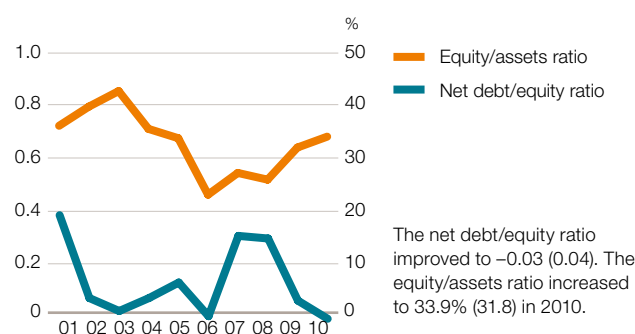
The Board proposes a dividend of per share

6.50
SEK

Total distribution to shareholders



Net debt/equity ratio



The story of Electrolux

More than 90 years have passed since the company was established by Axel Wenner-Gren. This visionary understood how to develop products for the future. Axel Wenner-Gren underlined Passion for Innovation, Customer Obsession, and Drive for Results, and these values still comprise the foundation for Electrolux operations.

Passion for Innovation

"This task is not an easy one, but one that will transform homes around the world," Axel Wenner-Gren said to the team of engineers and scientists sitting before him. Next to Wenner-Gren was a basic prototype of an absorption refrigerator created by two young engineers, Baltzar von Platen and Carl Munters, for a University degree project.



Wenner-Gren's decision to acquire the patent for the absorption refrigeration technology, which used electricity, gas or kerosene to circulate water and safely turn heat into cold, was his first step toward diversifying Electrolux. However, it was a bold step, because although Electrolux had secured its spot as the world leader in vacuum cleaners, absorption refrigeration was a concept that was far from fully developed.

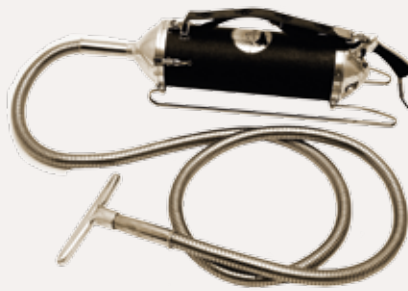
"We now know that you can create cold through heat using water," Wenner-Gren said to the engineers. "But a problem with this technology is that not every household has running water and every household from China to America will need a refrigeration machine." Wenner-Gren paused, and looked at each member of the team. "That is why we are going to cool with air, because we all have access to that."

ELECTROLUX TODAY

One of the main consumer problems associated with freezers, extensive research shows, is defrosting. Electrolux Glacier is, like most of the Group's freezers, frost-free. It is also the first freezer to combine European standard dimensions with a built-in ice-maker. The user always has access to ice-cubes without having to remember to fill the container with water.



Insight into consumer behavior is the basis for all product development within the Group. Electrolux developed Ergorapido, a cordless vacuum cleaner, for people who want the vacuum cleaner easily available. Sleek in design and lightweight, Ergorapido is too good looking not to be left in sight.



Customer Obsession

Axel Wenner-Gren unfolded a sketch made during a board room meeting for a team of Electrolux engineers to examine. On the page was a drawing of a vacuum cleaner. Rather than standing like the traditionally shaped bucket,

however, Wenner-Gren had sketched the vacuum cleaner laying on its side, with rounded edges and sled-like runners attached to the base. "This will be our next model," Wenner-Gren explained.

The idea had come to him a few days earlier when a young salesman visited his office to report that a customer was having a difficult time with her vacuum cleaner. The lady had told the salesman that her vacuum cleaned well, but that she found it tiring to lift and carry the machine throughout the house.

From that moment, Wenner-Gren was resolute on making the vacuum cleaner move easier.



“The Electrolux Spirit acknowledges no obstacles and submits to no defeats. It is a combination of enthusiasm, loyalty, aggressiveness and belief, which is inspired by confidence in our organization and products, and faith in our success and our future.”

Axel Wenner-Gren, founder



Drive for Results

Axel Wenner-Gren barely noticed the stores as he walked down the biggest shopping street in Vienna. The year was 1908, Wenner-Gren was on his way to a meeting and his broad steps and freshly pressed suit signalled a sense of purpose. That is, however, until something caught his eye, brought him to a stop, and pulled him to a shop window for a closer look.



Propped on display was a machine that must have weighed 20 kilos with a price tag that could suck up the savings of almost any wealthy household. Window shoppers either smirked at or ignored the industrial display, but Wenner-Gren couldn't take his eyes away from it. In his mind, the machine became smaller, lighter, sleeker and less expensive. He envisioned women gliding small vacuum cleaners around their houses. He would bring convenience to houses around the world.

Importance of Design

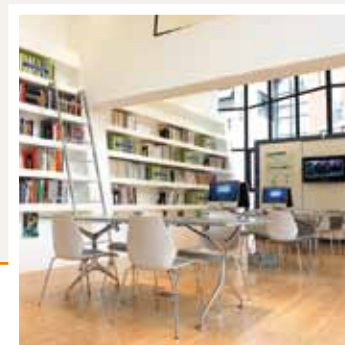
Axel Wenner-Gren had visited Electrolux showrooms in around thirty countries, and was always amazed by how captivated people would get, even though nothing was actually for sale. The atmosphere in the showroom on this day was different, however. The crowd was still, hushed, and gathered around the latest addition to the Electrolux collection: the Model XXX vacuum cleaner.

The Model XXX shaped by the internationally renowned industrial designer Lurelle Guild, was one of the first vacuum cleaners in history to be created with aesthetic appeal in mind. As cars and trains had become streamlined, Wenner-Gren saw the value in bringing a similar sleek elegance to home appliances. In fact, he had personally tracked down the foremost industrial designers, so that life for Electrolux customers would not only be cleaner and easier, but also more attractive.

Looking at the Model XXX vacuum cleaner, Wenner-Gren said to Guild: “You have given Electrolux products attractive design and perfect form.”

ELECTROLUX TODAY

Since Electrolux launched its first vacuum cleaner more than 90 years ago, the challenge has been to combine three, difficult to integrate, properties in one and the same vacuum cleaner; performance and air flow as priority together with ease of maneuverability in a vacuum cleaner that is extremely quiet. With the Electrolux UltraOne, success has been achieved. The vacuum cleaner has been selected best-in-test in various countries.



The Electrolux Design Center in Shanghai, China, was inaugurated in 2007. The Design Center hosts an exhibition space, flexible meeting areas, and a functional working kitchen with exclusive Electrolux appliances featuring attractive design.

A key element of the Center is the Design Library, which offers thousands of books and magazines on design. The Design Library is an initiative taken by the Italian Association of Industrial Designers (ADI). This cooperation establishes the one and only ADI Design Library located outside Milan.

Board of Directors and Auditors



Marcus Wallenberg

Chairman

Born 1956. B. Sc. of Foreign Service. Elected 2005. Member of the Electrolux Remuneration Committee.

Board Chairman of SEB, Skandinaviska Enskilda Banken AB, and Saab AB. Deputy Chairman of Telefonaktiebolaget LM Ericsson. Board Member of Astra Zeneca Plc, Stora Enso Oyj, the Knut and Alice Wallenberg Foundation and Temasek Holdings Limited.

Previous positions: President and CEO of Investor AB, 1999–2005. Executive Vice-President of Investor AB, 1993–1999.

Holdings in AB Electrolux: 5,000 B-shares. Through company: 30,000 B-shares. Related party: 1,000 B-shares.



Peggy Bruzelius

Deputy Chairman

Born 1949. M. Econ. Hon. Doc. in Econ. Elected 1996. Chairman of the Electrolux Audit Committee.

Board Chairman of Lancelot Asset Management AB. Board Member of Axfood AB, Akzo Nobel nv, Husqvarna AB, Syngenta AG, Diageo Plc and the Association of the Stockholm School of Economics.

Previous positions: Executive Vice-President of SEB, Skandinaviska Enskilda Banken AB, 1997–1998. President and CEO of ABB Financial Services AB, 1991–1997.

Holdings in AB Electrolux: 6,500 B-shares.



Lorna Davis

Born 1959. Bachelor of Social Science and Psychology. Elected 2010. President of Kraft Foods China since 2007.

Previous positions: Senior positions within the food industry, mainly with Danone in China and the UK.

Holdings in AB Electrolux: 0 shares.



Hasse Johansson

Born 1949. M. Sc. in Electrical Engineering. Elected 2008.

Board Chairman of Dynamate Industrial Services AB, Lindholmen Science Park AB and Alelion Batteries AB. Board Member of Fouriertransform AB and Skyllbergs Bruk AB.

Previous positions: Executive Vice-President and Head of Research and Development of Scania CV AB, 2001–2009. Founder of Mecel AB (part of Delphi Corporation). Senior management positions with Delphi Corporation, 1990–2001.

Holdings in AB Electrolux: 4,000 B-shares.



John S. Lupo

Born 1946. B. Sc. in Marketing. Elected 2007.

Board Member of Citi Trends Inc. and Cobra Electronics Corp., USA.

Previous positions: Principle of Renaissance Partners Consultants, 2000–2008. Executive Vice-President of Basset Furniture, 1998–2000. Chief Operating Officer of Wal-Mart International, 1996–1998. Senior Vice-President Merchandising of Wal-Mart Stores Inc., 1990–1996.

Holdings in AB Electrolux: 1,000 ADR.



Johan Molin

Born 1959. B. Sc. in Econ. Elected 2007. Member of the Electrolux Remuneration Committee. President and CEO of ASSA ABLOY AB since 2005.

Board Member of ASSA ABLOY AB and Nobia AB. **Previous positions:** CEO of Nilfisk-Advance, 2001–2005. President of Industrial Air Division within Atlas Copco Airpower, Belgium, 1998–2001. Management positions within Atlas Copco, 1983–2001.

Holdings in AB Electrolux: 1,000 B-shares.



Caroline Sundewall

Born 1958. M.B.A. Elected 2005. Member of the Electrolux Audit Committee. Independent Business consultant since 2001.

Board Chairman of Svolder AB and The Streber Cup Foundation.

Board Member of Ahlsell AB, Haldex AB, Lifco AB, Mertzig Asset Management, Pägengruppen AB, SJ AB, TradeDoubler AB and the Association of Exchange-listed Companies.

Previous positions: Business commentator at Finanstidningen, 1999–2001. Managing editor of the business desk section at Sydsvenska Dagbladet, 1992–1999. Business controller at Ratos AB, 1989–1992.

Holdings in AB Electrolux through company: 2,000 B-shares.



Torben Ballegaard Sørensen

Born 1951. M.B.A. Elected 2007. Member of the Electrolux Audit Committee.

Board Member of Egmont Fonden, LEGO A/S, Pandora Holding A/S, Systematic Software Engineering A/S, Tajco A/S, Årstiderne Architects A/S, Monberg-Thorsen A/S, Denmark, and VTI Technology OY, Finland.

Previous positions: President and CEO of Bang & Olufsen a/s, 2001–2008. Executive Vice-President of LEGO A/S, 1996–2001. Managing Director of Computer Composition International, CCI-Europe, 1988–1996. Chief Financial Officer of Aarhus Stiftsbogtrykkerie, 1981–1988.

Holdings in AB Electrolux: 800 B-shares.



Barbara Milian Thoralfsson

Born 1959. M.B.A., B.A. Elected 2003. Chairman of the Electrolux Remuneration Committee. Director of Fleming Invest AS, Norway, since 2005.

Board Member of SCA AB, Telenor ASA, Fleming Invest AS, and Norfolier AS.

Previous positions: President of TeliaSonera Norway, 2001–2005. President of Midelfart & Co, 1995–2001. Leading positions within marketing and sales, 1988–1995.

Holdings in AB Electrolux through company: 10,000 B-shares.

Employee representatives, members



Ola Bertilsson

Born 1955. Representative of the Swedish Confederation of Trade Unions. Elected 2006.
Holdings in AB Electrolux: 0 shares.



Gunilla Brandt

Born 1953. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2006.
Holdings in AB Electrolux: 0 shares.



Ulf Carlsson

Born 1958. Representative of the Swedish Confederation of Trade Unions. Elected 2001.
Holdings in AB Electrolux: 0 shares.

Employee representatives, deputy members



Gerd Almlöf

Born 1959. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2007.
Holdings in AB Electrolux: 0 shares.



Peter Karlsson

Born 1965. Representative of the Swedish Confederation of Trade Unions. Elected 2006.
Holdings in AB Electrolux: 0 shares.



Viveca Brinkenfeldt Lever

Born 1960. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2010.
Holdings in AB Electrolux: 0 shares.

Secretary of the Board

Cecilia Vieweg

Born 1955. B. of Law. General Counsel of AB Electrolux. Secretary of the Electrolux Board since 1999.
Holdings in AB Electrolux: 11,972 B-shares.

Auditors

At the Annual General Meeting in 2010, PricewaterhouseCoopers AB (PwC) was re-elected as auditors for a four-year period until the Annual General Meeting in 2014.

Anders Lundin

PricewaterhouseCoopers AB

Born 1956. Authorized Public Accountant. Partner in Charge.

Other audit assignments: AarhusKarlshamn AB, AB Industrivärden, Loomis AB, Melker Schörling AB, Husqvarna AB and SCA AB.

Holdings in AB Electrolux: 0 shares.

Björn Irlé

PricewaterhouseCoopers AB

Born 1965. Authorized Public Accountant.

Holdings in AB Electrolux: 0 shares.

Changes in Board of Directors

Hans Stråberg, President and Chief Executive Officer of AB Electrolux during 2002–2010, left the company and the Board on December 31, 2010. As President and Chief Executive Officer he was succeeded by Keith McLoughlin from January 1, 2011.

Holdings in AB Electrolux as of December 31, 2010. The information is regularly updated at www.electrolux.com/board-of-directors

Group Management



Keith McLoughlin

President and Chief Executive Officer as of January 1, 2011. Born 1956. B.S. Eng. In Group Management since 2003. Senior management positions with DuPont, USA, 1981–2003. Vice-President and General Manager of DuPont Nonwovens, 2000–2003, and of DuPont Corian, 1997–2000. Joined Electrolux as Head of Major Appliances North America and Executive Vice-President of AB Electrolux, 2003. Also Head of Major Appliances Latin America, 2004–2007. Chief Operations Officer Major Appliances, 2009. **Board Member** of Briggs & Stratton Corp. **Holdings** in AB Electrolux: 30,153 B-shares.



Henrik Bergström

Head of Floor Care and Small Appliances, Executive Vice-President Born 1972. M.Sc. in Business Administration and Economics. In Group Management since 2010. Business Development and General Management positions within Electrolux Major Appliances Latin America, 1997–2002. Managing Director of Electrolux Latin America and Caribbean, 2002–2008. Vice-President and General Manager for three business areas in Electrolux Major Appliances North America, 2008–2010. Head of Electrolux Asia Sourcing Operations, 2009–2010. Executive Vice President of AB Electrolux, 2010. **Holdings** in AB Electrolux: 12,297 B-shares.



Jan Brockmann

Chief Technology Officer, Senior Vice President as of February 1, 2011. Born 1966. M. Eng. in Mechanical. Engineering. MBA. In Group Management since 2011. Managements positions within Valeo Group, 1994–1999. Project Manager in Roland Berger Strategy Consultants, 2000–2001. Senior managements positions within Volkswagen Group, 2001–2010. Joined Electrolux as head of R&D for Global Operations, Electrolux Major Appliances, 2010. Chief Technology Officer, 2011. **Holdings** in AB Electrolux: 593 B-shares (January 20, 2011).



Enderson Guimarães

Head of Major Appliances Europe, Middle East and Africa, Executive Vice-President Born 1959. M.B.A. In Group Management since 2008. Brand management and marketing manager with Procter & Gamble, Brazil, 1990–1991, and Johnson & Johnson, Canada, 1991–1997. Marketing Director with Danone, Brazil, 1997–1998. Senior management positions with Philips Electronics, Brazil and the Netherlands, 1998–2007. Joined Electrolux as Senior Vice-President Product & Branding within Major Appliances Europe, 2008. Head of Major Appliances Europe and Executive Vice-President of AB Electrolux, 2008. **Holdings** in AB Electrolux: 3,046 B-shares.



Carina Malmgren Heander

Head of Human Resources and Organizational Development, Senior Vice-President Born 1959. B. Econ. In Group Management since 2007. Project Director at Adtranz Signal (Bombardier), 1989–1998. Vice-President Human Resources of ABB AB, 1998–2003. Senior Vice-President Human Resources of Sandvik AB, 2003–2007. Joined Electrolux as Senior Vice-President of Group Staff Human Resources and Organizational Development, 2007. **Board Member** of Cardo AB and IFL at the Stockholm School of Economics. **Holdings** in AB Electrolux: 3,464 B-shares.



Ruy Hirschheimer

Head of Major Appliances Latin America, Executive Vice-President Born 1948. M.B.A. Doctoral Program in Business Administration. In Group Management since 2008. Executive Vice-President of Alcoa Aluminum, Brazil, 1983–1986. President and CEO of J.I. Case Brazil, 1990–1994. President and CEO of Bunge Foods, 1994–1997. Senior Vice-President of Bunge International Ltd., USA, 1997–1998. Joined Electrolux as Head of Brazilian Major Appliances operations, 1998. Head of Major Appliances Latin America, 2002. Executive Vice-President of AB Electrolux, 2008. **Holdings** in AB Electrolux: 33,621 B-shares.



Hans Stråberg, President and Chief Executive Officer of AB Electrolux during 2002–2010, left the company on December 31, 2010. He was succeeded by Keith McLoughlin, Chief Operations Officer Major Appliances.

Holdings in AB Electrolux as of December 31, 2010. The information is regularly updated at www.electrolux.com/group-management



MaryKay Kopf

Chief Marketing Officer, Senior Vice President as of February 1, 2011.
Born 1965. B.S. Finance, MBA. In Group Management since 2011.
Marketing and segment management positions within, DuPont Nomex, Kevlar, North America, 1991–1998. European Business Manager, DuPont Nomex, Kevlar, 1998–2001. Global Business and Brand Strategy Manager, DuPont Tyvek, Son-tara, 2001–2003. Joined Electrolux in 2003 as VP Brand Marketing, Electrolux Major Appliances North America, 2003. Chief Marketing Officer, 2011.
Holdings in AB Electrolux: 2,768 B-shares (January 20, 2011).



Gunilla Nordström

Head of Major Appliances Asia/Pacific, Executive Vice-President
Born 1959. M. Sc. In Group Management since 2007.
Senior management positions with Telefonaktiebolaget LM Ericsson and Sony Ericsson in Europe, Latin America and Asia, 1983–2005. President of Sony Ericsson Mobile Communications (China) Co. Ltd. and Corporate Vice-President of Sony Ericsson Mobile Communications AB, 2005–2007. Joined Electrolux as Head of Major Appliances Asia/Pacific and Executive Vice-President of AB Electrolux, 2007.
Board Member of Videocon Industries Ltd, India, and Atlas Copco AB.
Holdings in AB Electrolux: 3,530 B-shares.



Jonas Samuelson

Chief Financial Officer, Chief Operations Officer and Head of Global Operations Major Appliances as of February 1, 2011.
Born 1968. M. Sc. in Business Administration and Economics. In Group Management since 2008.
Business development and finance positions in General Motors, USA, 1996–1999. Treasurer and Director Commercial Finance and Business Support in Saab Automobile AB, 1999–2001. Senior management positions within controlling and finance in General Motors North America, 2001–2005. Chief Financial Officer of Munters AB, 2005–2008. Joined Electrolux as Chief Financial Officer, 2008.
Board Member of Polygon AB.
Holdings in AB Electrolux: 3,490 B-shares.



Kevin Scott

Head of Major Appliances North America, Executive Vice-President
Born 1959. Ph.D. (Chem. Eng.). In Group Management since 2009.
Technical, manufacturing, brand marketing and business management roles with DuPont, USA, 1985–1994. Construction, purchasing, and operations finance management roles with PepsiCo, 1994–1999. Senior general management positions within DuPont, Switzerland, 1999–2003. Joined Electrolux as General Manager, Consumer Services Group, within Major Appliances North America, 2003. General Manager Refrigeration within Major Appliances North America, 2006–2009. Head of Major Appliances North America and Executive Vice-President, 2009.
Holdings in AB Electrolux: 8,849 B-shares.



Cecilia Vieweg

General Counsel, Senior Vice-President
Born 1955. B. of Law. In Group Management since 1999.
Attorney of Berglund & Co Advokatbyrå, 1987–1990. Corporate Legal Counsel of AB Volvo, 1990–1992. General Counsel of Volvo Car Corporation, 1992–1997. Attorney and partner of Wahlin Advokatbyrå, 1998. Joined Electrolux as Senior Vice-President and General Counsel, with responsibility for legal, intellectual property, risk management and security matters, 1999.
Board Member of Haldex AB, Vattenfall AB, PMC Group AB and member of the Swedish Securities Council.
Holdings in AB Electrolux: 11,972 B-shares.



Alberto Zanata

Head of Professional Products, Executive Vice-President
Born 1960. University degree in Electronic Engineering with Business Administration. In Group Management since 2009.
Joined Electrolux Professional Products, 1989. Senior management positions within factory management, marketing, product management and business development, 1989–2002. Head of Professional Products in North America, 2003–2008. Head of Professional Products and Executive Vice-President of AB Electrolux, 2009.
Holdings in AB Electrolux: 14,313 B-shares.

Events and reports

The Electrolux website www.electrolux.com/ir contains additional and up-dated information about, for example, the Electrolux share and corporate governance. At the beginning of 2010, a new platform for financial statistics was launched. The platform allows for graphic illustrations of Electrolux development on annual or quarterly basis.



Electrolux Annual Report 2010 consists of:

- Operations and strategy
- Financial review, Sustainability Report and Corporate Governance Report

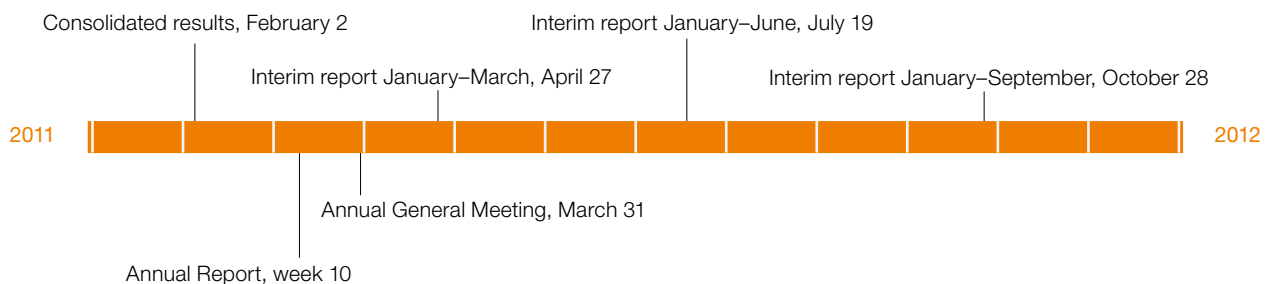
Electrolux annual report can be found at www.electrolux.com/annualreport2010

Electrolux Interim reports can be found at www.electrolux.com/ir

Electrolux GRI reports can be found at www.electrolux.com/sustainability



Financial reports and major events in 2011



Electrolux subscription service can be found at www.electrolux.com/subscribe

RESULT
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If you miss Part 2 of the annual report,
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at ir@electrolux.com



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 **Electrolux**



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