



Thinking of you  
**Electrolux**

# Interim report

## January – June 2012

Stockholm, July 19, 2012

### Highlights of the second quarter of 2012

[Read more](#)

- Net sales amounted to SEK 27,763m (24,143) and income for the period was SEK 763m (561), or SEK 2.67 (1.97) per share. 2
- Net sales improved by 15%, of which 5.8% was organic growth, 5.6 % acquisitions and 3.6% changes in exchange rates. 2
- Strong organic growth, especially in Latin America and Asia, contributed to the favorable development of net sales. 5
- Europe gained market share in all product categories for core appliances. 4
- Operating income improved to SEK 1,150m (745), corresponding to a margin of 4.1% (3.1). 2
- Higher sales prices in North America had a positive impact on operating income. 4
- Improvements in volume, price and mix contributed positively to results in Latin America. 5
- Higher costs for raw materials continued to impact earnings negatively, but to a lesser extent than in previous quarters. These higher costs were offset by operational efficiency. 4
- Strong cash flow in the quarter. 7

### Financial overview

SEKm <sup>1)</sup>	Q2 2012	Q2 2011	Change, %	First half 2012	First half 2011	Change, %
Net sales	27,763	24,143	15	53,638	47,579	13
Operating income	1,150	745	54	2,093	1,441	45
Margin, %	4.1	3.1	–	3.9	3.0	–
Income after financial items	993	696	43	1,785	1,333	34
Income for the period	763	561	36	1,322	1,018	30
Earnings per share, SEK <sup>2)</sup>	2.67	1.97	–	4.63	3.58	–
Operating cash flow <sup>3)</sup>	3,606	1,438	151	3,563	462	671

1) Key ratios are excluding items affecting comparability. There were no items affecting comparability in the second quarter and first half of 2012 and 2011. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive in the long term, see page 8 and 11.

2) Basic, based on an average of 286.1 (284.7) million shares for the second quarter and 285.7 (284.7) million shares for the first half of 2012, excluding shares held by Electrolux.

3) Excluding financial items paid, taxes paid and acquisitions and divestments of operations.

For earnings per share after dilution, see page 11.

For definitions, see page 21.

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### About Electrolux

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

For more information go to [www.electrolux.com/press](http://www.electrolux.com/press) and [www.electrolux.com/news](http://www.electrolux.com/news).

## Market overview

Market demand for appliances in some of Electrolux mature markets continued to decline in the second quarter year-over-year, while demand in emerging markets continued to grow.

Market demand for core appliances in Western Europe declined by 4%. Demand for core appliances in North America was unchanged year-over-year. Market demand in Australia is estimated to have declined in the quarter.

Market demand in Eastern Europe increased by 3% and demand in Latin America and Southeast Asia continued to show strong growth.

Market demand for appliances in Europe in 2012 is expected to be flat or decline by up to 2%. Market demand for core appliances in North America is expected to be flat or increase by up to 2%.

## The second quarter in summary

SEKm	Q2 2012	Q2 2011	Change, %	First half 2012	First half 2011	Change, %
<b>Net sales</b>	27,763	24,143	15.0	53,638	47,579	12.7
<b>Change in net sales, %, whereof</b>						
Acquisitions	–	–	5.6	–	–	5.7
Organic growth	–	–	5.8	–	–	4.7
Changes in exchange rates	–	–	3.6	–	–	2.3
<b>Operating income</b>						
Major Appliances Europe, Middle East and Africa	215	156	38	496	467	6
Major Appliances North America	512	138	271	671	67	901
Major Appliances Latin America	316	114	177	594	253	135
Major Appliances Asia/Pacific	172	177	–3	327	351	–7
Small Appliances	31	23	35	124	137	–9
Professional Products	155	274	–43	287	451	–36
Other, common Group costs, etc.	–251	–137	–83	–406	–285	–42
<b>Operating income excluding items affecting comparability</b>	1,150	745	54	2,093	1,441	45
Margin, %	4.1	3.1	–	3.9	3.0	–
Items affecting comparability	–	–	–	–	–	–
<b>Operating income</b>	1,150	745	54	2,093	1,441	45
Margin, %	4.1	3.1	–	3.9	3.0	–

- Organic growth, especially in emerging markets, contributed to the favorable development of net sales.
- Strong performance for the operations in North America and Latin America.
- Market share gains for appliances in Europe.
- Strong operating cash flow.

Net sales for the Electrolux Group in the second quarter of 2012 improved by 15.0%. Organic growth was 5.8%. Sales growth in such emerging markets as Latin America, Southeast Asia and Eastern Europe contributed to this positive development. Although the weak market conditions continued in Electrolux mature markets, the Group was able to gain market share. In Europe, market share were

captured in all categories within appliances. The acquisitions of CTI in Chile and Olympic Group in Egypt impacted net sales by 5.6%. Changes in exchange rates had a positive impact of 3.6%.

Operating income improved to SEK 1,150m (745), corresponding to a margin of 4.1% (3.1). The development of the operations in North America and Latin America was especially strong. Price increases, previous cost-saving activities and the ongoing global initiatives to reduce costs are contributing to the results. Continued weak demand and lower sales volumes in some of Electrolux most important markets and higher costs for raw materials continued to impact earnings negatively.

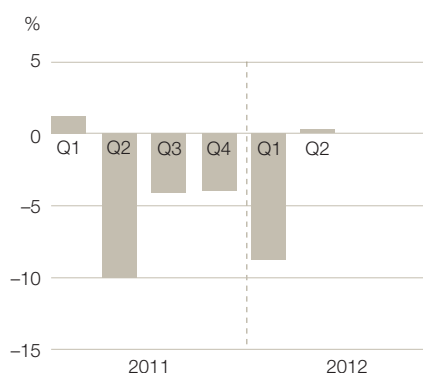
The Group's ongoing structural efforts to improve capital efficiency have contributed to the favorable development of working capital and the strong cash flow in the quarter, see page 7.

Industry shipments of core appliances in Europe\*



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

Industry shipments of core appliances in the US\*



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

### Effects of changes in exchange rates

Changes in exchange rates affected operating income negatively with SEK –80m year-over-year. The impact from transaction effects was SEK –345m, results from hedging operations SEK 235m and translation effects SEK 30m. The impact from transaction and hedging operations referred mainly to the operations in Latin America and the strengthening of the US dollar against the Brazilian real.

### Financial net

Net financial items for the second quarter of 2012 amounted to SEK –157m (–49). Net financial items have been impacted by higher average interest rate and increased net debt due to last year's acquisitions.

### Income for the period

Income for the period amounted to SEK 763m (561), corresponding to SEK 2.67 (1.97) in earnings per share.

### First half of 2012

Net sales for the Electrolux Group in the first half of 2012 amounted to SEK 53,638m (47,579). Net sales improved by 12.7%, of which 4.7% referred to organic growth, 5.7% to acquisitions and 2.3% to changes in exchange rates.

Operating income improved to SEK 2,093m (1,441), corresponding to a margin of 3.9% (3.0). Income after financial items amounted to SEK 1,785m (1,333). Income for the period was SEK 1,322m (1,018), corresponding to SEK 4.63 (3.58) in earnings per share.

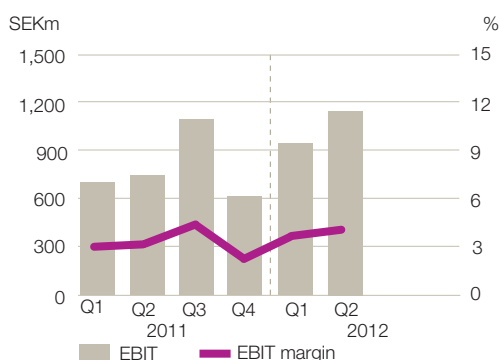
### Events during the second quarter 2012

#### July 3, Electrolux products to be sold at The Home Depot

The Home Depot, the world's largest home improvement speciality retailer, will begin selling Electrolux major appliances in the United States.

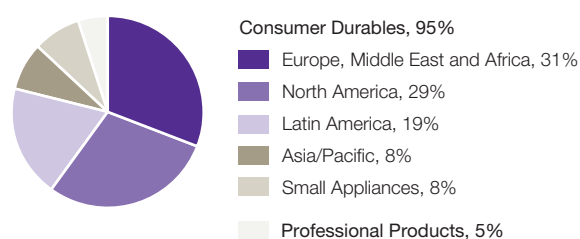
In a staged roll-out, Electrolux major appliances, under the Frigidaire, Frigidaire Gallery and Electrolux brands, will be available for purchase at The Home Depot. The product line will include ovens, refrigerators, freezers, dishwashers and laundry machines. For more information go to [www.electrolux.com/press](http://www.electrolux.com/press)

Operating income and margin\*



\* Excluding items affecting comparability.

Share of sales by business area for the second quarter of 2012



## Business areas

### Major Appliances Europe, Middle East and Africa

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	8,216	7,660	16,481	15,316	34,029
Operating income	215	156	496	467	709
Operating margin, %	2.6	2.0	3.0	3.0	2.1
<b>Industry shipments of core appliances, Europe, units, year-over-year, %</b>					
Western Europe	-4	-2	-3	-2	-3
Eastern Europe (excluding Turkey)	3	12	4	12	9
Total Europe	-2	1	-1	1	0

Market demand for appliances in Europe declined by 2% during the second quarter of 2012 year-over-year. The Western European market declined by 4% as a result of weak demand in Spain, Italy and France. Demand in the UK and the Nordic countries rose slightly. Demand in Eastern Europe rose by 3%, which was at a lower rate compared with earlier quarters, primarily as a result of a slowdown in the market growth in Russia and a decline in the Southeast European countries.

Group sales increased year-over-year as a result of higher sales volumes in most main markets and market share continued to increase in all major product categories. The launch of the next generation of high-end appliances under the Electrolux brand and the re-launch of Zanussi products in the mass-market segment,

together with the previous launch of AEG products, have all contributed to the positive development.

Operating income increased in the second quarter year-over-year and included a one-off asset sale of SEK 50m in Spain. Higher volumes and cost savings were partially offset by a negative country and product mix. Transition costs ahead of the comprehensive re-launch of the products under the Electrolux brand also impacted earnings negatively. The country mix deteriorated as a result of higher sales in Eastern Europe and lower sales in Southern Europe.

The contribution from the acquisition of Olympic Group in Egypt in the preceding year was slightly negative for the quarter.

### Major Appliances North America

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	8,599	7,544	15,706	14,272	27,665
Operating income	512	138	671	67	250
Operating margin, %	6.0	1.8	4.3	0.5	0.9
<b>Industry shipments of appliances in the US, units, year-over-year, %</b>					
Core appliances	0	-10	-4	-5	-4
Microwave ovens and home comfort products	-5	-	-4	-	-
Total Major Appliances	-2	-5	-4	1	-1

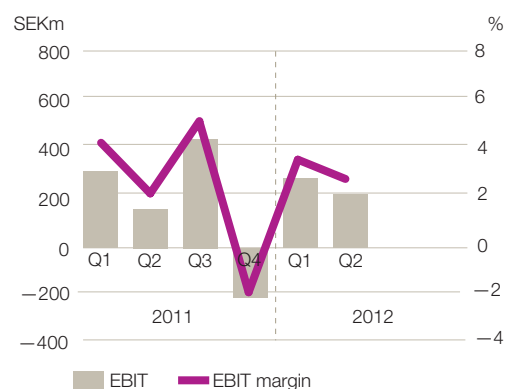
Market demand in North America for core appliances was unchanged during the second quarter of 2012 compared with the corresponding year-earlier period. Demand in cooking products and dishwashers increased while other product categories declined. Market demand for microwave ovens and home comfort products, such as room air-conditioners declined by 5%. In total, major appliances decreased by 2% in the quarter.

Group sales in North America increased in comparable currencies in the second quarter year-over-year primarily due to higher prices. In addition, sales volumes increased in several product cat-

egories within core appliances and the Group gained market share. Prices were increased in April and August last year as well as in February 2012. Average sales prices showed a sequential improvement in the second quarter over the first quarter of 2012.

Operating income for the second quarter improved substantially year-over-year due to higher sales prices. Improved efficiency within manufacturing and supply chain as well as more selective promotion activities made a positive contribution to the operating income. Increased costs for raw materials, sourced products and weaker volumes continued to have a negative impact on results.

### Major Appliances Europe, Middle East and Africa



### Major Appliances North America



## Major Appliances Latin America

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	5,183	3,708	10,332	7,706	17,810
Operating income	316	114	594	253	820
Operating margin, %	6.1	3.1	5.7	3.3	4.6

Market demand for core appliances in Latin America is estimated to have continued increasing in the second quarter of 2012 year-over-year. Demand for core appliances in Brazil continued to grow due to tax incentives on domestically-produced appliances. This incentive program has been extended to the end of August 2012.

Sales for the Latin American operations increased in the quarter year-over-year as a result of strong volume growth. Sales in other

Latin American markets outside Brazil increased to about 30% (20) of total sales, mainly due to the acquisition of CTI in Chile.

Operating income improved significantly, mainly due to the acquisition of CTI, but also due to higher sales volumes as well as higher prices and an improved product and customer mix.

## Major Appliances Asia/Pacific

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	2,198	1,945	4,039	3,691	7,852
Operating income	172	177	327	351	736
Operating margin, %	7.8	9.1	8.1	9.5	9.4

### Australia and New Zealand

Market demand for appliances in Australia is estimated to have continued declining in the second quarter of 2012 year-over-year. Group sales declined during the quarter, primarily as a result of continued price pressure in the market. Electrolux sales volumes declined but less than the market, and the Group gained market shares.

Operating income deteriorated year-over-year, mainly as a consequence of reduced sales prices and lower volumes. Higher costs due to forthcoming product launches also impacted operating income negatively in the quarter.

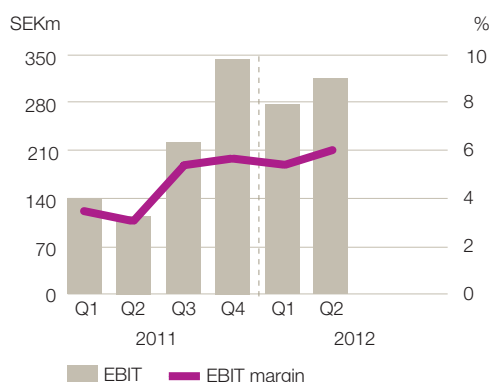
### Southeast Asia and China

Market demand in Southeast Asia is estimated to have continued showing growth in the second quarter of 2012 year-over-year. Demand in China declined as a result of the discontinuing of previous government stimuli for appliances at year-end and also due to the fact that there has been an announcement of a similar program starting in June/July 2012.

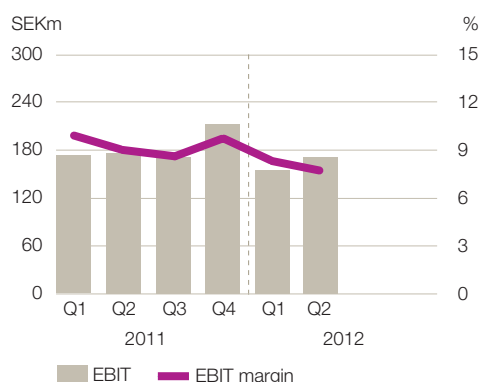
Electrolux sales in Southeast Asia and China continued to display strong growth and the Group's market shares are estimated to have grown.

The operations in Southeast Asia continued to demonstrate favorable profitability.

## Major Appliances Latin America



## Major Appliances Asia/Pacific



## Small Appliances

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	2,105	1,794	4,210	3,724	8,359
Operating income	31	23	124	137	543
Operating margin, %	1.5	1.3	2.9	3.7	6.5

Market demand for vacuum cleaners in Europe and North America declined in the second quarter compared with the corresponding year-earlier period.

Group sales increased during the second quarter year-over-year, as a result of higher sales volumes. Higher sales for vacuum cleaners in North America contributed to an increase in market share. Continued strong sales growth for cordless handheld vacuum cleaners and small domestic appliances in most regions also contributed to the improvement in net sales.

Operating income for the second quarter increased year-over-year. The acquired company Somela, in Chile, contributed to the positive development. Excluding the acquisition, operating income was in line with the previous year. Lower sales prices, changes in exchange rates, increased costs for sourced products and higher brand spend for product launches in Asia offset the improvement in net sales.

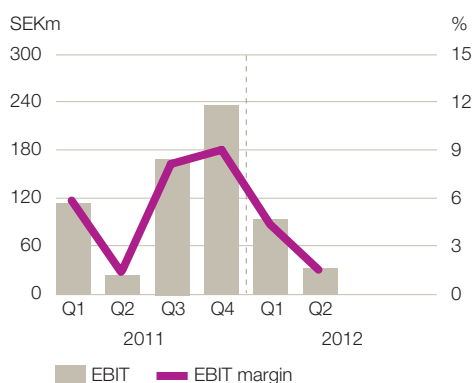
## Professional Products

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	1,462	1,491	2,870	2,869	5,882
Operating income	155	274	287	451	841
Operating margin, %	10.6	18.4	10.0	15.7	14.3

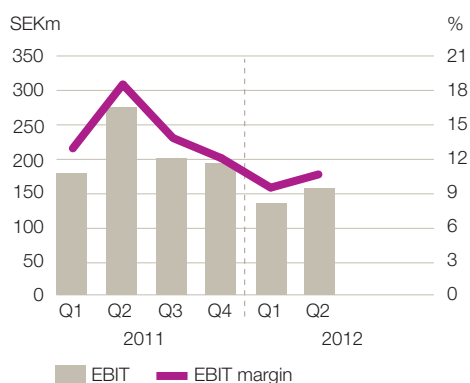
Market demand in Europe for food-service equipment is estimated to have declined in the second quarter of 2012. Sales for food-service equipment declined year-over-year due to lower volumes as a result of a weaker market in Southern Europe. Operating income declined somewhat, adjusted for a one-off asset sale last year of SEK 90m. Lower sales volumes and a negative country mix impacted operating income. The country mix deteriorated as a result of lower sales in Southern Europe and increased sales in growth markets. Price increases partly offset the decline in income.

Market demand for professional laundry equipment during the second quarter is estimated to have declined somewhat in major Electrolux markets in Western Europe. Group sales volumes of own-manufactured products decreased. Operating income declined as a result of lower volumes, while price increases and a positive country mix made a positive contribution to the operating income.

## Small Appliances



## Professional Products



## Cash flow

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Operations	1,749	1,254	3,203	2,432	6,122
Change in operating assets and liabilities	2,862	1,267	2,370	-21	1,116
Capital expenditure	-1,005	-1,083	-2,010	-1,949	-4,493
<b>Operating cash flow</b>	<b>3,606</b>	<b>1,438</b>	<b>3,563</b>	<b>462</b>	<b>2,745</b>
Acquisitions and divestments of operations	-	103	-45	208	-5,556
Financial items paid, net	-184	-43	-286	-76	-214
Taxes paid	-382	-570	-957	-952	-1,625
<b>Cash flow from operations and investments</b>	<b>3,040</b>	<b>928</b>	<b>2,275</b>	<b>-358</b>	<b>-4,650</b>
Dividend	-1,860	-1,850	-1,860	-1,850	-1,850
Sale of shares	-	-	212	-	-
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>1,180</b>	<b>-922</b>	<b>627</b>	<b>-2,208</b>	<b>-6,500</b>

Cash flow from operations and investments in the second quarter of 2012 improved to SEK 3,040m (928). Cash flow in the second quarter follows a normal seasonal pattern. The working capital change reflects seasonal build-up of inventories for the normally stronger second half of the year. Compared with the previous year, cash flow was impacted by improvements in operating income and working capital. The warm weather in North America has prolonged the air-care season, which had a positive impact on accounts payable and changes in working capital in the quarter.

The Group's ongoing structural efforts to reduce tied-up capital have contributed to the favorable development of working capital,

see table on page 16.

Payouts for the ongoing restructuring and cost-cutting programs amounted to approximately SEK -130m in the quarter.

Investments during the second quarter referred mainly to investments within manufacturing facilities for new products and production capacity. The major projects are the cooking plant in Memphis, Tennessee, in the US and the new plant for refrigerators and freezers in Rayong, in Thailand, for the Southeast Asian markets. The cooking plant in Memphis is receiving investment support from state authorities.

The dividend payment for 2011 of SEK 1,860m was paid to the shareholders during the quarter.

## Financial position

### Net borrowings

SEKm	June 30, 2012	June 30, 2011	Dec. 31, 2011
Borrowings	15,047	13,150	14,206
Liquid funds	9,189	11,835	7,839
<b>Net borrowings</b>	<b>5,858</b>	<b>1,315</b>	<b>6,367</b>
Net debt/equity ratio	0.29	0.07	0.31
<b>Equity</b>	<b>20,163</b>	<b>19,473</b>	<b>20,644</b>
Equity per share, SEK	70.47	68.41	72.52
Return on equity, %	13.3	10.4	10.4
Equity/assets ratio, %	28.7	31.9	30.1

Net borrowings amounted to SEK 5,858m (1,315). The net debt/equity ratio was 0.29 (0.07).

During the first quarter of 2012, a new bond loan was issued in the amount of SEK 1,000m under the EMTN program.

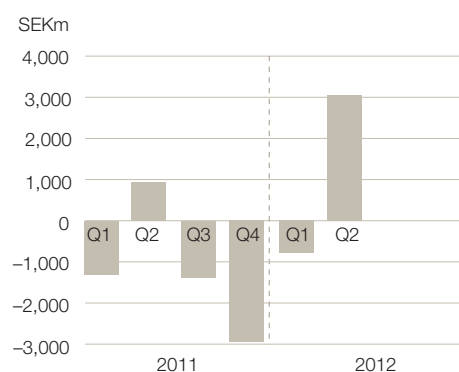
Long-term borrowings as of June 30, 2012, including long-term borrowings with maturities within 12 months, amounted to SEK 12,634m with average maturities of 2.5 years, compared to SEK 11,669m and 3.0 years at the end of 2011. During 2012 and

2013, long-term borrowings in the amount of approximately SEK 4,100m will mature.

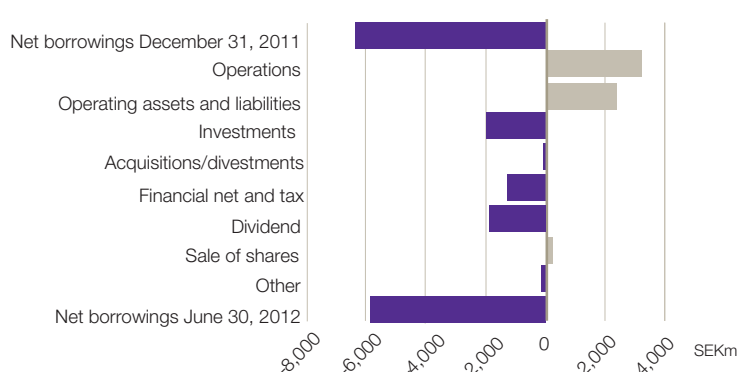
Liquid funds as of June 30, 2012, amounted to SEK 9,189m (11,835), excluding short-term back-up facilities.

Electrolux has two unused committed back-up facilities. One EUR 500m multi-currency revolving credit facility, approximately SEK 4,400m, maturing 2016 with extension options for up to two more years and a credit facility of SEK 3,400m maturing 2017.

### Cash flow from operations and investments



### Cash flow and change in net borrowings



### Net assets and working capital

Average net assets for the period amounted to SEK 27,180m (20,466). Net assets as of June 30, 2012, amounted to SEK 26,021m (20,788). Net assets have been impacted by the acquisitions in the second half of 2011 of Olympic Group and CTI. Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets amounted to SEK 28,141m (21,876), corresponding to 26.2% (23.0) of net sales.

Working capital as of June 30, 2012, amounted to SEK –7,028m (–5,178), corresponding to –6.4% (–5.3) of annualized net sales. The return on net assets was 15.4% (14.1), and 14.9% (13.2), excluding items affecting comparability.

## Other items

### Asbestos litigation in the US

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

As of June 30, 2012, the Group had a total of 2,821 (2,663) cases pending, representing approximately 2,893 (approximately 2,910) plaintiffs. During the second quarter of 2012, 284 new cases with 288 plaintiffs were filed and 204 pending cases with approximately 210 plaintiffs were resolved.

Additional lawsuits may be filed against Electrolux in the future. It is not possible to predict either the number of future claims or the

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

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

Plant closures and cutbacks			Closed
Torsvik	Sweden	Compact appliances	Q1 2007
Nuremberg	Germany	Dishwashers, washing machines and dryers	Q1 2007
Adelaide	Australia	Dishwashers	Q2 2007
Fredericia	Denmark	Cookers	Q4 2007
Adelaide	Australia	Washing machines	Q1 2008
Spennymoor	UK	Cookers	Q4 2008
Changsha	China	Refrigerators	Q1 2009
Scandicci	Italy	Refrigerators	Q2 2009
St. Petersburg	Russia	Washing machines	Q2 2010
Motala	Sweden	Cookers	Q1 2011
Webster City	USA	Washing machines	Q1 2011
Alcalá	Spain	Washing machines	Q1 2011

Authorized closures			Estimated closure
L'Assomption	Canada	Cookers	Q4 2013
Investment			Starting
Porcia	Italy	Washing machines	Q4 2010
Memphis	USA	Cookers	Q2 2012

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



## Risks and uncertainty factors

As an international Group with a wide geographic spread, Electrolux is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit and financial instruments.

Risk management in Electrolux aims to identify, control and reduce risks. This work begins with the description of risks and risk

management, see the 2011 Annual Report on page 70. No significant risks other than the risks described there are judged to have occurred.

Risks, risk management and risk exposure are described in more detail in the Annual Report 2011, [www.electrolux.com/annualreport2011](http://www.electrolux.com/annualreport2011).

## Parent Company AB Electrolux

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

Net sales for the Parent Company, AB Electrolux, for the first half of 2012 amounted to SEK 2,915m (3,256) of which SEK 1,470m (1,739) referred to sales to Group companies and SEK 1,445m (1,517) to external customers. Income after financial items was SEK 742m (1,013), including dividends from subsidiaries in the amount of SEK 520m (816). Income for the period amounted to SEK 672m (977). The Parent Company reports group contributions in the income statement. Corresponding changes have been made in the 2011 financial statements.

Capital expenditure in tangible and intangible assets was SEK 131m (250). Liquid funds at the end of the period amounted to SEK 2,803m, as against SEK 2,206m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 14,731m, as against SEK 15,938m at the start of the year. Dividend payment to shareholders for 2011 amounted to SEK 1,860m.

The income statement and balance sheet for the Parent Company are presented on page 19.

### Accounting and valuation principles

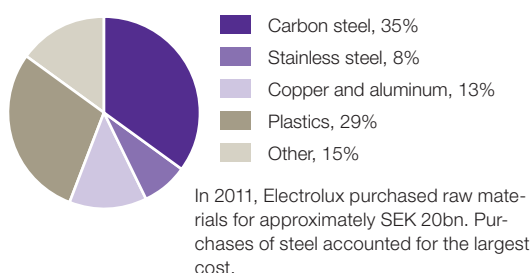
Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2011.

*This report has not been audited.*

Stockholm, July 19, 2012

Keith McLoughlin  
President and CEO

### Raw-materials exposure 2011



### Press releases 2012

January 10	Electrolux appoints Stefano Marzano to the new role of Chief Design Officer
<b>February 2</b>	<b>Consolidated results 2011 and CEO Keith McLoughlin's comments</b>
February 15	Ronnie Leten and Fredrik Persson proposed new Board members of Electrolux
February 17	Notice convening the Annual General Meeting of AB Electrolux
March 2	Electrolux Annual Report 2011 is published
March 22	Electrolux issues bond loan
March 27	Bulletin from AB Electrolux Annual General Meeting 2012
<b>April 25</b>	<b>Interim report January-March and CEO Keith McLoughlin's comments</b>
July 3	Electrolux products to be sold at The Home Depot

The Board of Directors and the President and CEO certify that the Interim report for the period January – June 2012 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 19, 2012

Marcus Wallenberg  
*Chairman of the Board of Directors*

Ronnie Leten  
*Deputy Chairman of the Board of Directors*

Keith McLoughlin  
*Board member, President and CEO*

Lorna Davis  
*Board member*

Hasse Johansson  
*Board member*

Fredrik Persson  
*Board member*

Ulrika Saxon  
*Board member*

Torben Ballegaard Sørensen  
*Board member*

Barbara Milian Thoralfsson  
*Board member*

Ola Bertilsson  
*Board member,  
employee representative*

Gunilla Brandt  
*Board member,  
employee representative*

Ulf Carlsson  
*Board member,  
employee representative*

## Consolidated income statement

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
<b>Net sales</b>	<b>27,763</b>	<b>24,143</b>	<b>53,638</b>	<b>47,579</b>	<b>101,598</b>
Cost of goods sold <sup>*)</sup>	-22,358	-19,723	-43,405	-38,713	-82,840
<b>Gross operating income</b>	<b>5,405</b>	<b>4,420</b>	<b>10,233</b>	<b>8,866</b>	<b>18,758</b>
Selling expenses	-2,996	-2,745	-5,612	-5,294	-10,821
Administrative expenses <sup>*)</sup>	-1,316	-1,018	-2,586	-2,301	-4,972
Other operating income/expenses	57	88	58	170	190
Items affecting comparability	-	-	-	-	-138
<b>Operating income</b>	<b>1,150</b>	<b>745</b>	<b>2,093</b>	<b>1,441</b>	<b>3,017</b>
Margin, %	4.1	3.1	3.9	3.0	3.0
Financial items, net	-157	-49	-308	-108	-237
<b>Income after financial items</b>	<b>993</b>	<b>696</b>	<b>1,785</b>	<b>1,333</b>	<b>2,780</b>
Margin, %	3.6	2.9	3.3	2.8	2.7
Taxes	-230	-135	-463	-315	-716
<b>Income for the period</b>	<b>763</b>	<b>561</b>	<b>1,322</b>	<b>1,018</b>	<b>2,064</b>
Available for sale instruments	-12	6	-14	-52	-91
Cash-flow hedges	-6	-40	-3	49	111
Exchange-rate differences on translation of foreign operations	539	593	70	-272	-223
Income tax relating to other comprehensive income	-1	20	1	-42	-104
<b>Other comprehensive income, net of tax</b>	<b>520</b>	<b>579</b>	<b>54</b>	<b>-317</b>	<b>-307</b>
<b>Total comprehensive income for the period</b>	<b>1,283</b>	<b>1,140</b>	<b>1,376</b>	<b>701</b>	<b>1,757</b>
Income for the period attributable to:					
Equity holders of the Parent Company	761	561	1,322	1,018	2,064
Non-controlling interests	2	-	-	-	-
<b>Total</b>	<b>763</b>	<b>561</b>	<b>1,322</b>	<b>1,018</b>	<b>2,064</b>
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	1,275	1,140	1,374	701	1,752
Non-controlling interests	8	-	2	-	5
<b>Total</b>	<b>1,283</b>	<b>1,140</b>	<b>1,376</b>	<b>701</b>	<b>1,757</b>
Earnings per share, SEK	2.67	1.97	4.63	3.58	7.25
Diluted, SEK	2.66	1.96	4.62	3.56	7.21
Number of shares after buy-backs, million	286.1	284.7	286.1	284.7	284.7
Average number of shares after buy-backs, million	286.1	284.7	285.7	284.7	284.7
Diluted, million	286.3	286.0	286.3	286.2	286.1

<sup>\*)</sup> A correction has been made to the interim report after it was published on July 19, 2012. A previously incorrect allocation of costs in the second quarter of 2012 has been adjusted by reducing costs of goods sold by SEK 409m and increasing administrative expenses by the corresponding amount.

## Items affecting comparability

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
<b>Restructuring provisions and write-downs</b>					
Appliances plant in Kinston, USA	-	-	-	-	-104
Reduced workforce in Major Appliances, Europe	-	-	-	-	-54
Reversal of unused restructuring provisions	-	-	-	-	20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-138</b>

Financial data quarterly and yearly can be downloaded and viewed at [www.electrolux.com/ir](http://www.electrolux.com/ir).  
There is a graph section where you can view trends as well as compare financial items.

## Consolidated balance sheet

SEKm	June 30, 2012	June 30, 2011	Dec. 31, 2011
<b>Assets</b>			
Property, plant and equipment	16,399	14,499	15,613
Goodwill	5,939	2,249	6,008
Other intangible assets	5,099	3,460	5,146
Investments in associates	17	17	18
Deferred tax assets	3,117	3,135	2,980
Financial assets	537	542	517
Other non-current assets	3,079	2,949	3,036
<b>Total non-current assets</b>	<b>34,187</b>	<b>26,851</b>	<b>33,318</b>
Inventories	14,096	12,593	11,957
Trade receivables	18,177	17,403	19,226
Tax assets	498	464	666
Derivatives	320	225	252
Other current assets	3,664	4,063	3,662
Short-term investments	618	1,401	337
Cash and cash equivalents	7,985	9,905	6,966
<b>Total current assets</b>	<b>45,358</b>	<b>46,054</b>	<b>43,066</b>
<b>Total assets</b>	<b>79,545</b>	<b>72,905</b>	<b>76,384</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Parent Company</b>			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	377	319	324
Retained earnings	15,246	14,704	15,761
<b>Total equity</b>	<b>20,073</b>	<b>19,473</b>	<b>20,535</b>
Non controlling interests	90	–	109
<b>Total equity</b>	<b>20,163</b>	<b>19,473</b>	<b>20,644</b>
Long-term borrowings	10,623	10,869	9,639
Deferred tax liabilities	1,138	885	1,127
Provisions for post-employment benefits	2,141	2,031	2,111
Other provisions	4,981	5,172	5,300
<b>Total non-current liabilities</b>	<b>18,883</b>	<b>18,957</b>	<b>18,177</b>
Accounts payable	21,289	18,444	18,490
Tax liabilities	1,343	1,566	1,717
Short-term liabilities	11,338	10,555	10,497
Short-term borrowings	4,106	1,823	4,170
Derivatives	230	359	324
Other provisions	2,193	1,728	2,365
<b>Total current liabilities</b>	<b>40,499</b>	<b>34,475</b>	<b>37,563</b>
<b>Total equity and liabilities</b>	<b>79,545</b>	<b>72,905</b>	<b>76,384</b>
<b>Contingent liabilities</b>	<b>1,858</b>	<b>1,160</b>	<b>1,276</b>

## Change in consolidated equity

SEKm	June 30, 2012	June 30, 2011	Dec. 31, 2011
<b>Opening balance</b>	<b>20,644</b>	<b>20,613</b>	<b>20,613</b>
<b>Total comprehensive income for the period</b>	<b>1,376</b>	<b>701</b>	<b>1,757</b>
Share-based payment	–163	9	29
Sale of shares	212	–	–
Dividend	–1,860	–1,850	–1,850
Dividend to non-controlling interests	–1	–	–1
Acquisition of operations	–45	–	96
<b>Total transactions with equity holders</b>	<b>–1,857</b>	<b>–1,841</b>	<b>–1,726</b>
<b>Closing balance</b>	<b>20,163</b>	<b>19,473</b>	<b>20,644</b>

## Consolidated cash flow statement

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
<b>Operations</b>					
Operating income	1,150	745	2,093	1,441	3,017
Depreciation and amortization	826	806	1,646	1,567	3,173
Capital gain/loss included in operating income	-53	-91	-53	-170	-207
Restructuring provisions	-177	-194	-320	-415	110
Share-based compensation	3	-12	-163	9	29
Financial items paid, net	-184	-43	-286	-76	-214
Taxes paid	-382	-570	-957	-952	-1,625
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>1,183</b>	<b>641</b>	<b>1,960</b>	<b>1,404</b>	<b>4,283</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	-1,289	-583	-2,197	-1,659	269
Change in trade receivables	287	980	1,147	1,605	244
Change in other current assets	84	-506	67	-497	200
Change in accounts payable	2,946	1,439	2,856	1,333	1,379
Change in other operating liabilities and provisions	834	-63	497	-803	-976
<b>Cash flow from change in operating assets and liabilities</b>	<b>2,862</b>	<b>1,267</b>	<b>2,370</b>	<b>-21</b>	<b>1,116</b>
<b>Cash flow from operations</b>	<b>4,045</b>	<b>1,908</b>	<b>4,330</b>	<b>1,383</b>	<b>5,399</b>
<b>Investments</b>					
Acquisition of operations	-	-	-45	-	-6,377
Divestment of operations	-	103	-	208	821
Capital expenditure in property, plant and equipment	-1,033	-741	-1,817	-1,281	-3,163
Capital expenditure in product development	-98	-100	-191	-174	-374
Capital expenditure in software	-117	-168	-248	-332	-744
Other <sup>1)</sup>	243	-74	246	-162	-212
<b>Cash flow from investments</b>	<b>-1,005</b>	<b>-980</b>	<b>-2,055</b>	<b>-1,741</b>	<b>-10,049</b>
<b>Cash flow from operations and investments</b>	<b>3,040</b>	<b>928</b>	<b>2,275</b>	<b>-358</b>	<b>-4,650</b>
<b>Financing</b>					
Change in short-term investments	26	-6	-289	309	1,444
Change in short-term borrowings	-1,632	204	-316	-31	-619
New long-term borrowings	7	2,500	1,007	2,500	3,503
Amortization of long-term borrowings	-6	-205	-13	-903	-1,161
Dividend	-1,860	-1,850	-1,860	-1,850	-1,850
Sale of shares	-	-	212	-	-
<b>Cash flow from financing</b>	<b>-3,465</b>	<b>643</b>	<b>-1,259</b>	<b>25</b>	<b>1,317</b>
<b>Total cash flow</b>	<b>-425</b>	<b>1,571</b>	<b>1,016</b>	<b>-333</b>	<b>-3,333</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,349</b>	<b>8,209</b>	<b>6,966</b>	<b>10,389</b>	<b>10,389</b>
<b>Exchange-rate differences referring to cash and cash equivalents</b>	<b>61</b>	<b>125</b>	<b>3</b>	<b>-151</b>	<b>-90</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,985</b>	<b>9,905</b>	<b>7,985</b>	<b>9,905</b>	<b>6,966</b>

1) Includes grants related to investments of SEK 347m.

## Key ratios

SEKm unless otherwise stated	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Net sales	27,763	24,143	53,638	47,579	101,598
Organic growth, %	5.8	-1.6	4.7	-0.4	0.2
Items affecting comparability	-	-	-	-	-138
Operating income	1,150	745	2,093	1,441	3,017
Margin, %	4.1	3.1	3.9	3.0	3.0
Income after financial items	993	696	1,785	1,333	2,780
Income for the period	763	561	1,322	1,018	2,064
Capital expenditure, property, plant and equipment	-1,033	-741	-1,817	-1,281	-3,163
Operating cash flow	3,606	1,438	3,563	462	2,745
Earnings per share, SEK <sup>1)</sup>	2.67	1.97	4.63	3.58	7.25
Equity per share, SEK	-	-	70.47	68.41	72.52
Capital-turnover rate, times/year	-	-	3.9	4.7	4.6
Return on net assets, %	-	-	15.4	14.1	13.7
Return on equity, %	-	-	13.3	10.4	10.4
Net borrowings	-	-	5,858	1,315	6,367
Net debt/equity ratio	-	-	0.29	0.07	0.31
Average number of shares excluding shares owned by Electrolux, million	286.1	284.7	285.7	284.7	284.7
Average number of employees	58,298	49,926	58,432	50,251	52,916
<b>Excluding items affecting comparability</b>					
Operating income	1,150	745	2,093	1,441	3,155
Margin, %	4.1	3.1	3.9	3.0	3.1
Earnings per share, SEK <sup>1)</sup>	2.67	1.97	4.63	3.58	7.55
Capital-turnover rate, times/year	-	-	3.8	4.4	4.3
Return on net assets, %	-	-	14.9	13.2	13.5

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

For definitions, see page 21.

## Shares

Number of shares	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2012	8,212,725	300,707,583	308,920,308	24,255,085	284,665,223
Conversion of A-shares into B-shares	-	-	-	-	-
Sale of shares	-	-	-	-1,469,595	1,469,595
<b>Number of shares as of June 30, 2012</b>	<b>8,212,725</b>	<b>300,707,583</b>	<b>308,920,308</b>	<b>22,785,490</b>	<b>286,134,818</b>
As % of total number of shares	7.4%				

## Net sales by business area

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Major Appliances Europe, Middle East and Africa	8,216	7,660	16,481	15,316	34,029
Major Appliances North America	8,599	7,544	15,706	14,272	27,665
Major Appliances Latin America	5,183	3,708	10,332	7,706	17,810
Major Appliances Asia/Pacific	2,198	1,945	4,039	3,691	7,852
Small Appliances	2,105	1,794	4,210	3,724	8,359
Professional Products	1,462	1,491	2,870	2,869	5,882
Other	–	1	–	1	1
<b>Total</b>	<b>27,763</b>	<b>24,143</b>	<b>53,638</b>	<b>47,579</b>	<b>101,598</b>

## Operating income by business area

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
Major Appliances Europe, Middle East and Africa	215	156	496	467	709
Margin, %	2.6	2.0	3.0	3.0	2.1
Major Appliances North America	512	138	671	67	250
Margin, %	6.0	1.8	4.3	0.5	0.9
Major Appliances Latin America	316	114	594	253	820
Margin, %	6.1	3.1	5.7	3.3	4.6
Major Appliances Asia/Pacific	172	177	327	351	736
Margin, %	7.8	9.1	8.1	9.5	9.4
Small Appliances	31	23	124	137	543
Margin, %	1.5	1.3	2.9	3.7	6.5
Professional Products	155	274	287	451	841
Margin, %	10.6	18.4	10.0	15.7	14.3
Common Group costs, etc.	–251	–137	–406	–285	–744
<b>Total Group, excluding items affecting comparability</b>	<b>1,150</b>	<b>745</b>	<b>2,093</b>	<b>1,441</b>	<b>3,155</b>
<b>Margin, %</b>	<b>4.1</b>	<b>3.1</b>	<b>3.9</b>	<b>3.0</b>	<b>3.1</b>
Items affecting comparability	–	–	–	–	–138
<b>Operating income</b>	<b>1,150</b>	<b>745</b>	<b>2,093</b>	<b>1,441</b>	<b>3,017</b>
<b>Margin, %</b>	<b>4.1</b>	<b>3.1</b>	<b>3.9</b>	<b>3.0</b>	<b>3.0</b>

## Change in net sales by business area

Year-over-year, %	Q2 2012	Q2 2012 in comparable currencies	First half 2012	First half 2012 in comparable currencies
Major Appliances Europe, Middle East and Africa	7.3	7.6	7.6	7.7
Major Appliances North America	14.0	3.1	10.0	2.8
Major Appliances Latin America	39.8	48.0	34.1	40.4
Major Appliances Asia/Pacific	13.0	4.7	9.4	2.1
Small Appliances	17.3	13.2	13.1	10.4
Professional Products	–1.9	–2.8	0.0	–0.7
<b>Total change</b>	<b>15.0</b>	<b>11.4</b>	<b>12.7</b>	<b>10.4</b>

## Change in operating income by business area

Year-over-year, %	Q2 2012	Q2 2012 in comparable currencies	First half 2012	First half 2012 in comparable currencies
Major Appliances Europe, Middle East and Africa	37.8	28.3	6.2	3.4
Major Appliances North America	271.0	252.2	901.5	840.4
Major Appliances Latin America	177.2	173.9	134.8	134.6
Major Appliances Asia/Pacific	–2.8	–7.2	–6.8	–11.8
Small Appliances	34.8	44.4	–9.5	–9.5
Professional Products	–43.4	–44.4	–36.4	–37.2
<b>Total change, excluding items affecting comparability</b>	<b>54.4</b>	<b>48.3</b>	<b>45.2</b>	<b>41.4</b>

## Working capital and net assets

SEKm	June 30, 2012	% of annualized net sales	June 30, 2011	% of annualized net sales	Dec. 31, 2011	% of annualized net sales
Inventories	14,096	12.8	12,593	12.8	11,957	10.5
Trade receivables	18,177	16.5	17,403	17.7	19,226	17.0
Accounts payable	-21,289	-19.3	-18,444	-18.7	-18,490	-16.3
Provisions	-9,315	-	-8,931	-	-9,776	-
Prepaid and accrued income and expenses	-7,414	-	-6,726	-	-6,598	-
Taxes and other assets and liabilities	-1,283	-	-1,073	-	-1,499	-
<b>Working capital</b>	<b>-7,028</b>	<b>-6.4</b>	<b>-5,178</b>	<b>-5.3</b>	<b>-5,180</b>	<b>-4.6</b>
Property, plant and equipment	16,399	-	14,499	-	15,613	-
Goodwill	5,939	-	2,249	-	6,008	-
Other non-current assets	8,732	-	6,968	-	8,717	-
Deferred tax assets and liabilities	1,979	-	2,250	-	1,853	-
<b>Net assets</b>	<b>26,021</b>	<b>23.6</b>	<b>20,788</b>	<b>21.1</b>	<b>27,011</b>	<b>23.8</b>
Average net assets	27,180	25.3	20,466	21.5	22,091	21.7
Average net assets, excluding items affecting comparability	28,141	26.2	21,876	23.0	23,354	23.0

## Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	June 30, 2012	June 30, 2011	Dec. 31, 2011	June 30, 2012	June 30, 2011	Dec. 31, 2011	June 30, 2012	June 30, 2011	Dec. 31, 2011
Major Appliances Europe, Middle East and Africa	22,987	21,130	24,297	13,824	12,981	14,847	9,163	8,149	9,450
Major Appliances North America	13,820	11,343	10,391	9,601	6,804	5,075	4,219	4,539	5,316
Major Appliances Latin America	13,886	10,073	14,075	7,165	6,600	6,607	6,721	3,473	7,468
Major Appliances Asia/Pacific	4,982	4,278	4,630	2,691	2,236	2,590	2,291	2,042	2,040
Small Appliances	4,360	3,764	4,792	2,333	2,209	2,582	2,027	1,555	2,210
Professional Products	2,835	2,911	2,829	1,983	1,993	1,897	852	918	932
Other <sup>1)</sup>	7,410	7,555	7,414	5,738	6,243	6,816	1,672	1,312	598
Items affecting comparability	76	16	117	1,000	1,216	1,120	-924	-1,200	-1,003
<b>Total operating assets and liabilities</b>	<b>70,356</b>	<b>61,070</b>	<b>68,545</b>	<b>44,335</b>	<b>40,282</b>	<b>41,534</b>	<b>26,021</b>	<b>20,788</b>	<b>27,011</b>
Liquid funds	9,189	11,835	7,839	-	-	-	-	-	-
Interest-bearing receivables	-	-	-	-	-	-	-	-	-
Interest-bearing liabilities	-	-	-	15,047	13,150	14,206	-	-	-
Equity	-	-	-	20,163	19,473	20,644	-	-	-
<b>Total</b>	<b>79,545</b>	<b>72,905</b>	<b>76,384</b>	<b>79,545</b>	<b>72,905</b>	<b>76,384</b>	<b>-</b>	<b>-</b>	<b>-</b>

1) Includes common Group functions and tax items.



## Net sales and income per quarter

SEKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full year 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012
Net sales	23,436	24,143	25,650	28,369	101,598	25,875	27,763			
Operating income	696	745	1,064	512	3,017	943	1,150			
Margin, %	3.0	3.1	4.1	1.8	3.0	3.6	4.1			
Operating income, excluding items affecting comparability	696	745	1,098	616	3,155	943	1,150			
Margin, %	3.0	3.1	4.3	2.2	3.1	3.6	4.1			
Income after financial items	637	696	1,119	328	2,780	792	993			
Income after financial items, excluding items affecting comparability	637	696	1,153	432	2,918	792	993			
Income for the period	457	561	825	221	2,064	559	763			
Earnings per share, SEK <sup>1)</sup>	1.61	1.97	2.90	0.77	7.25	1.96	2.67			
Earnings per share, SEK, excluding items affecting comparability <sup>1)</sup>	1.61	1.97	2.96	1.01	7.55	1.96	2.67			
Items affecting comparability <sup>2)</sup>	–	–	–34	–104	–138	–	–			
Number of shares after buy-backs, million	284.7	284.7	284.7	284.7	284.7	286.1	286.1			
Average number of shares after buy-backs, million	284.7	284.7	284.7	284.7	284.7	285.4	286.1			

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

2) Restructuring provisions, write-downs and capital loss on divestments.

## Net sales and operating income by business area per quarter

SEKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full year 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012
<b>Major Appliances Europe, Middle East and Africa</b>										
Net sales	7,656	7,660	8,964	9,749	34,029	8,265	8,216			
Operating income	311	156	444	–202	709	281	215			
Margin, %	4.1	2.0	5.0	–2.1	2.1	3.4	2.6			
<b>Major Appliances North America</b>										
Net sales	6,728	7,544	7,122	6,271	27,665	7,107	8,599			
Operating income	–71	138	107	76	250	159	512			
Margin, %	–1.1	1.8	1.5	1.2	0.9	2.2	6.0			
<b>Major Appliances Latin America</b>										
Net sales	3,998	3,708	4,101	6,003	17,810	5,149	5,183			
Operating income	139	114	222	345	820	278	316			
Margin, %	3.5	3.1	5.4	5.7	4.6	5.4	6.1			
<b>Major Appliances Asia/Pacific</b>										
Net sales	1,746	1,945	1,981	2,180	7,852	1,841	2,198			
Operating income	174	177	172	213	736	155	172			
Margin, %	10.0	9.1	8.7	9.8	9.4	8.4	7.8			
<b>Small Appliances</b>										
Net sales	1,930	1,794	2,056	2,579	8,359	2,105	2,105			
Operating income	114	23	169	237	543	93	31			
Margin, %	5.9	1.3	8.2	9.2	6.5	4.4	1.5			
<b>Professional Products</b>										
Net sales	1,378	1,491	1,426	1,587	5,882	1,408	1,462			
Operating income	177	274	199	191	841	132	155			
Margin, %	12.8	18.4	14.0	12.0	14.3	9.4	10.6			
<b>Other</b>										
Net sales	–	1	–	–	1	–	–			
Operating income, common group costs, etc.	–148	–137	–215	–244	–744	–155	–251			
<b>Total Group, excluding items affecting comparability</b>										
Net sales	23,436	24,143	25,650	28,369	101,598	25,875	27,763			
Operating income	696	745	1,098	616	3,155	943	1,150			
Margin, %	3.0	3.1	4.3	2.2	3.1	3.6	4.1			
<b>Items affecting comparability</b>						–	–			
<b>Total Group</b>										
Net sales	23,436	24,143	25,650	28,369	101,598	25,875	27,763			
Operating income	696	745	1,064	512	3,017	943	1,150			
Margin, %	3.0	3.1	4.1	1.8	3.0	3.6	4.1			

## Exchange rates

SEK	June 30, 2012	June 30, 2011	Dec. 31, 2011
AUD, average	7.06	6.61	6.72
AUD, end of period	7.09	6.80	7.02
BRL, average	3.66	3.92	3.88
BRL, end of period	3.45	4.06	3.68
CAD, average	6.79	6.50	6.55
CAD, end of period	6.80	6.56	6.77
EUR, average	8.88	8.94	9.02
EUR, end of period	8.78	9.17	8.93
GBP, average	10.77	10.23	10.36
GBP, end of period	10.87	10.13	10.65
HUF, average	0.0301	0.0331	0.0322
HUF, end of period	0.0304	0.0345	0.0287
USD, average	6.82	6.35	6.48
USD, end of period	6.98	6.34	6.90

## Acquisitions 2011<sup>1)</sup>

### Consideration

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

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

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

1) Olympic Group and CTI are included in Electrolux consolidated accounts as of September and October 2011, respectively.

### CTI group

In Chile, CTI group manufactures refrigerators, stoves, washing machines and heaters, sold under the brands Fensa and Mademsa, and is the leading manufacturer with a volume market share of 36%. CTI group also holds a leading position in Argentina with the GAFA brand and in Chile, Somela is the largest supplier of small domestic appliances. CTI group has 2,200 employees and two manufacturing sites in Chile and one site in Argentina. This acquisition is part of Electrolux strategy to grow in emerging markets and provides significant revenue and growth synergies. The acquisition makes Electrolux the largest supplier of appliances in Chile and Argentina, and further enhances Electrolux position as a leading appliance company in the fast-growing Latin American markets.

CTI's and Somela's shares are listed on the Santiago Stock Exchange in Chile. CTI group's net sales and operating income are not disclosed, as its financial statements have not yet been published.

### Olympic Group

Olympic Group is a leading manufacturer of appliances in the Middle East with a volume market share in Egypt of approximately 30%. The company has 7,100 employees and manufactures washing machines, refrigerators, cookers and water heaters. The acquisition is part of Electrolux strategy to grow in emerging markets like Middle East and Africa. Electrolux and Olympic Group have developed a successful commercial partnership in the region for almost 30 years, which today covers technology, supply of components, distribution and brand licensing.

Olympic Group's shares are listed on the Egyptian Stock Exchange. Olympic Group's net sales and operating income are not disclosed, as its financial statements have not yet been published.

## Parent Company, income statement

SEKm	Q2 2012	Q2 2011	First half 2012	First half 2011	Full year 2011
<b>Net sales</b>	<b>1,422</b>	<b>1,476</b>	<b>2,915</b>	<b>3,256</b>	<b>6,660</b>
Cost of goods sold	-1,028	-1,112	-2,161	-2,400	-5,023
<b>Gross operating income</b>	<b>394</b>	<b>364</b>	<b>754</b>	<b>856</b>	<b>1,637</b>
Selling expenses	-285	-276	-574	-549	-1,109
Administrative expenses	-76	-220	-114	-367	-295
Other operating income	51	24	137	122	298
Other operating expenses	-1	-10	-1	-10	-10
<b>Operating income</b>	<b>83</b>	<b>-118</b>	<b>202</b>	<b>52</b>	<b>521</b>
Financial income	652	955	828	1,088	2,727
Financial expenses	-149	-95	-288	-127	-344
<b>Financial items, net</b>	<b>503</b>	<b>860</b>	<b>540</b>	<b>961</b>	<b>2,383</b>
<b>Income after financial items</b>	<b>586</b>	<b>742</b>	<b>742</b>	<b>1,013</b>	<b>2,904</b>
Appropriations	2	7	7	15	32
<b>Income before taxes</b>	<b>588</b>	<b>749</b>	<b>749</b>	<b>1,028</b>	<b>2,936</b>
Taxes	-20	18	-77	-51	-191
<b>Income for the period</b>	<b>568</b>	<b>767</b>	<b>672</b>	<b>977</b>	<b>2,745</b>

## Parent Company, balance sheet

SEKm	June 30, 2012	June 30, 2011	Dec. 31, 2011
<b>Assets</b>			
Non-current assets	33,595	28,406	33,247
Current assets	16,944	17,437	14,833
<b>Total assets</b>	<b>50,539</b>	<b>45,843</b>	<b>48,080</b>
<b>Equity and liabilities</b>			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	14,731	14,196	15,938
<b>Total equity</b>	<b>19,293</b>	<b>18,758</b>	<b>20,500</b>
Untaxed reserves	590	613	597
Provisions	837	697	732
Non-current liabilities	10,196	10,307	9,220
Current liabilities	19,623	15,468	17,031
<b>Total equity and liabilities</b>	<b>50,539</b>	<b>45,843</b>	<b>48,080</b>
<b>Pledged assets</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Contingent liabilities</b>	<b>1,733</b>	<b>1,453</b>	<b>1,428</b>

## Operations, by business area, yearly

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

## Five-year review

SEKm unless otherwise stated	2011	2010	2009	2008	2007
Net sales	101,598	106,326	109,132	104,792	104,732
Organic growth, %	0.2	1.5	-4.8	-0.9	4.0
Items affecting comparability	-138	-1,064	-1,561	-355	-362
Operating income	3,017	5,430	3,761	1,188	4,475
Margin, %	3.0	5.1	3.4	1.1	4.3
Income after financial items	2,780	5,306	3,484	653	4,035
Income for the period	2,064	3,997	2,607	366	2,925
Capital expenditure, property, plant and equipment	3,163	3,221	2,223	3,158	3,430
Operating cash flow	2,745	4,587	6,603	2,875	2,363
Earnings per share, SEK	7.25	14.04	9.18	1.29	10.41
Equity per share, SEK	73	72	66	58	57
Dividend per share, SEK	6.50	6.50	4.00	–	4.25
Capital-turnover rate, times/year	4.6	5.4	5.6	5.1	5.1
Return on net assets, %	13.7	27.8	19.4	5.8	21.7
Return on equity, %	10.4	20.6	14.9	2.4	20.3
Net borrowings	6,367	-709	665	4,556	4,703
Net debt/equity ratio	0.31	-0.03	0.04	0.28	0.29
Average number of shares excluding shares owned by Electrolux, million	284.7	284.6	284.0	283.1	281.0
Average number of employees	52,916	51,544	50,633	55,177	56,898
Excluding items affecting comparability					
Operating income	3,155	6,494	5,322	1,543	4,837
Margin, %	3.1	6.1	4.9	1.5	4.6
Earnings per share, SEK	7.55	16.65	13.56	2.32	11.66
Capital-turnover rate, times/year	4.3	5.1	5.4	4.9	4.5
Return on net assets, %	13.5	31.0	26.2	7.2	20.9

### Financial goals over a business cycle

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. The key ratios exclude items affecting comparability.

#### Financial goals

- Operating margin of >6%
- Capital-turnover rate >4%
- Return on net assets >25%
- Average annual growth >4%

## Definitions

### Capital indicators

#### Annualized sales

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

#### Net assets

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

#### Working capital

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

#### Total borrowings

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

#### Net borrowings

Total borrowings less liquid funds.

#### Net debt/equity ratio

Net borrowings in relation to equity.

#### Equity/assets ratio

Equity as a percentage of total assets less liquid funds.

### Other key ratios

#### Organic growth

Sales growth, adjusted for acquisitions, divestments and changes in exchange rates.

#### Operating cash flow

Cash flow from operations and investments excluding financial items paid, taxes paid and acquisitions and divestment of operations.

#### Earnings per share

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

#### Operating margin

Operating income expressed as a percentage of net sales.

#### Return on equity

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

#### Return on net assets

Operating income expressed as a percentage of average net assets.

#### Capital-turnover rate

Net sales in relation to average net assets.

## President and CEO Keith McLoughlin's comments on the second-quarter results 2012

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

### Telephone conference

A telephone conference is held at 15.00 CET on July 19, 2012. The conference is chaired by Keith McLoughlin, President and CEO of Electrolux. Mr. McLoughlin is accompanied by Tomas Eliasson, CFO, and Peter Nyquist, SVP Investor Relations and Financial Information.

A slide presentation on the second-quarter results of 2012 will be available on the Electrolux website  
[www.electrolux.com/ir](http://www.electrolux.com/ir)

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

You can also listen to the presentation at  
[www.electrolux.com/interim-report-webcast](http://www.electrolux.com/interim-report-webcast)

#### For further information

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

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

#### Calendar 2012

##### Financial reports 2012

Interim report January – September

October 22

#### Factors affecting forward-looking statements

*This report contains "forward-looking" statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following; consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.*

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

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