



Thinking of you  
**Electrolux**

# Interim report January – September 2012

Stockholm, October 22, 2012

## Highlights of the third quarter of 2012

[Read more](#)

- Net sales amounted to SEK 27,171m (25,650) and income for the period was SEK 985m (825), or SEK 3.43 (2.90) per share. 2
- Net sales improved by 5.9%, of which 4.6% was organic growth, 5.1% acquisitions and –3.8% changes in exchange rates. 2
- Strong organic growth, particularly in Latin America, North America and Asia contributed to the positive trend in net sales. 4
- Operating income improved to SEK 1,461m (1,098), corresponding to a margin of 5.4% (4.3). 2
- All business areas with the exception of Europe achieved an operating margin above 6%. 4
- Improvements in price, mix and volume in North America and Latin America had a positive impact on operating income. 4
- The manufacturing footprint program announced in 2011 will be initiated to improve the cost position in Europe and charges will be taken in the fourth quarter of 2012. 8

## Financial overview

SEKm <sup>1)</sup>	Q3 2012	Q3 2011	Change, %	Nine months 2012	Nine months 2011	Change, %
Net sales	27,171	25,650	6	80,809	73,229	10
Operating income	1,461	1,098	33	3,554	2,539	40
Margin, %	5.4	4.3	–	4.4	3.5	–
Income after financial items	1,251	1,153	8	3,036	2,486	22
Income for the period	985	844	17	2,307	1,862	24
Earnings per share, SEK <sup>2)</sup>	3.43	2.96	–	8.06	6.54	–
Operating cash flow <sup>3)</sup>	–230	1,306	–118	3,333	1,768	89

1) Key ratios are excluding items affecting comparability. There are no items affecting comparability in the third quarter and the first nine months of 2012. Items affecting comparability amounted to SEK –34m for the third quarter and the first nine months of 2011. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive in the long term, see pages 8 and 11.

2) Basic, based on an average of 286.1 (284.7) million shares for the third quarter and 285.8 (284.7) million shares for the first nine months 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 third quarter year-over-year, while demand in emerging markets continued to grow.

Market demand for core appliances in Western Europe declined by 2%. Demand for core appliances in North America increased somewhat. Market demand in Australia is estimated to have been unchanged in the quarter.

### Industry shipments of core appliances in Europe\*



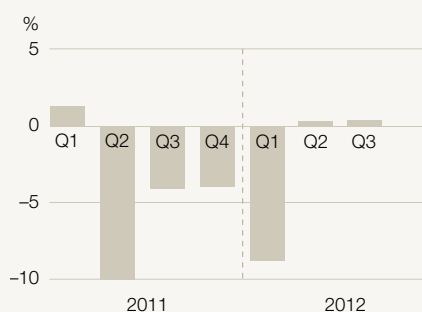
\* Units, year-over-year, %.

Market demand in Eastern Europe increased by 2% 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 decrease by up to 1%\*.

\* Previous market outlook for North America: Market demand for core appliances in North America is expected to be flat or increase by up to 2%.

### Industry shipments of core appliances in the US\*



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

## The third quarter in summary\*

SEKm	Q3 2012	Q3 2011	Change, %	Nine months 2012	Nine months 2011	Change, %
<b>Net sales</b>	27,171	25,650	5.9	80,809	73,229	10.4
<b>Change in net sales, %, whereof</b>						
Acquisitions	-	-	5.1	-	-	5.5
Organic growth	-	-	4.6	-	-	4.6
Changes in exchange rates	-	-	-3.8	-	-	0.3
<b>Operating income</b>						
Major Appliances Europe, Middle East and Africa	303	444	-32	799	911	-12
Major Appliances North America	523	107	389	1,194	174	586
Major Appliances Latin America	339	222	53	933	475	96
Major Appliances Asia/Pacific	208	172	21	535	523	2
Small Appliances	126	169	-25	250	306	-18
Professional Products	151	199	-24	438	650	-33
Other, common Group costs, etc.	-189	-215	12	-595	-500	-19
<b>Operating income, excluding items affecting comparability</b>	<b>1,461</b>	<b>1,098</b>	<b>33</b>	<b>3,554</b>	<b>2,539</b>	<b>40</b>
Margin, %	5.4	4.3	-	4.4	3.5	-
Items affecting comparability	-	-34	-	-	-34	-
<b>Operating income</b>	<b>1,461</b>	<b>1,064</b>	<b>37</b>	<b>3,554</b>	<b>2,505</b>	<b>42</b>
Margin, %	5.4	4.1	-	4.4	3.4	-

\* All comments are excluding items affecting comparability. There were no items affecting comparability in 2012. Items affecting comparability amounted to SEK -34m in the third quarter and first nine months of 2011, see page 11.

- Organic growth, especially in emerging markets and North America, contributed to the favorable trend in net sales.
- Strong performance for the operations in North America, Latin America and Asia/Pacific.
- Weak demand in traditional markets in Europe adversely impacted results for appliances in Europe.
- The operating margin for all business areas exceeded 6%, with the exception of Europe.

Net sales for the Electrolux Group in the third quarter of 2012 improved by 5.9%. Organic growth was 4.6%. Sales growth was particularly strong in Latin America. North America and emerging markets such as Southeast Asia and China also contributed to this positive revenue development. The acquisitions of CTI in Chile and Olympic Group in Egypt impacted net sales by 5.1%. Changes in exchange rates had a negative impact of -3.8%.

Operating income improved to SEK 1,461m (1,098), corresponding to a margin of 5.4% (4.3). The performance of the operations in North America and Latin America was particularly strong. Price increases, previous cost-saving activities and ongoing global initia-

tives to reduce costs were factors that contributed to the results. Weak demand and lower sales volumes particularly in some of the Group's principal markets in Europe continued to negatively impact earnings.

#### Effects of changes in exchange rates

Changes in exchange rates had a negative year-over-year impact on operating income of SEK –80m. The impact of transaction effects was SEK –25m, results from hedging operations SEK –25m and translation effects SEK –30m. The impact from transaction and hedging operations was mainly attributable to the operations in Latin America and the strengthening of the US dollar against the Brazilian real.

#### Financial net

Net financial items for the third quarter of 2012 amounted to SEK –210m (55). Net financial items have been impacted by last year's acquisitions. Results from hedging of transaction exposure had a temporary negative impact on financial net, which will have a reverse impact going forward.

#### Income for the period

Income for the period amounted to SEK 985m (844), corresponding to SEK 3.43 (2.96) in earnings per share.

#### First nine months of 2012

Net sales for the Electrolux Group in the first nine months of 2012 amounted to SEK 80,809m (73,229). Net sales improved by 10.4%, of which 4.6% referred to organic growth, 5.5% to acquisitions and 0.3% to changes in exchange rates.

Operating income improved to SEK 3,554m (2,539), corresponding to a margin of 4.4% (3.5). Income after financial items amounted to SEK 3,036m (2,486). Income for the period was SEK 2,307m (1,862), corresponding to SEK 8.06 (6.54) in earnings per share.

#### Events during the third quarter of 2012

##### September 13. Dow Jones Sustainability World Index 2012 names Electrolux Durable Household Products sector leader

DJSI World includes the 10% best-in-class economic, environmental and social performers among the world's 2,500 largest companies. For more information about Electrolux sustainability strategy and achievements, go to [www.electrolux.com/sustainability](http://www.electrolux.com/sustainability).

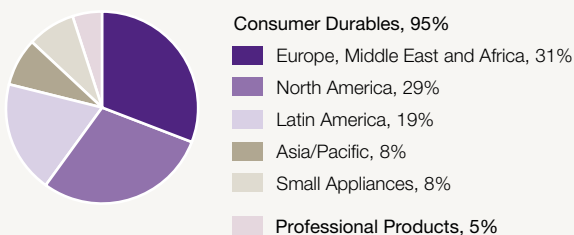
##### September 17. Electrolux launches the first and only professional cooking system for consumer homes

Electrolux launches Electrolux Grand Cuisine, a completely new product category. The ultra-luxury kitchen range is the first professional cooking system made specifically for home use and the first that makes it possible to fully recreate Michelin-star restaurant experiences at home. For more information, see [www.grandcuisine.com](http://www.grandcuisine.com).

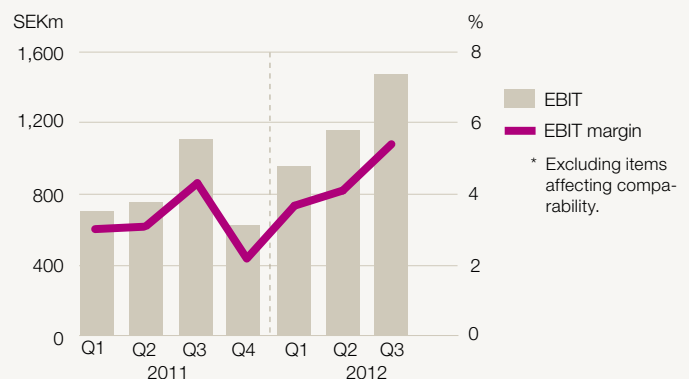
##### September 26. Nomination committee appointed for Electrolux AGM 2013

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2012, read more on page 9.

#### Share of sales by business area for the first nine months 2012



#### Operating income and margin\*



## Business areas

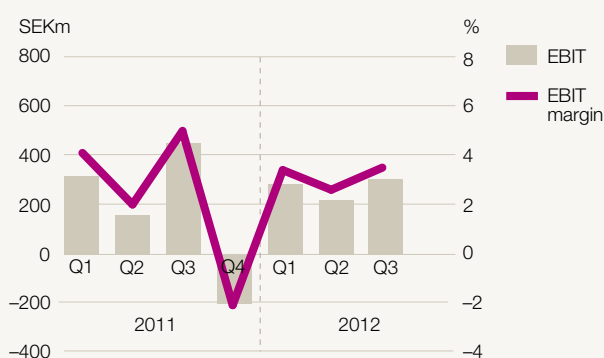
### Major Appliances Europe, Middle East and Africa

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	8,581	8,964	25,062	24,280	34,029
Operating income	303	444	799	911	709
Operating margin, %	3.5	5.0	3.2	3.8	2.1
<b>Industry shipments of core appliances in Europe, units, year-over-year, %</b>					
Western Europe	-2	-3	-2	-3	-3
Eastern Europe (excluding Turkey)	2	7	4	10	9
<b>Total Europe</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>0</b>

Market demand for appliances in Europe decreased slightly during the third quarter of 2012 year-over-year. Western Europe declined by 2% as a result of weak demand in Southern Europe and the Nordic countries. Demand in Central Europe and the UK rose. Demand in Eastern Europe grew by 2%, driven mainly by growth in Russia, while the rest of Eastern Europe showed a decline.

Group sales declined year-over-year, excluding the acquired Olympic Group in Egypt, as a result of lower sales volumes, following the weak market conditions in some of Electrolux main markets in Western Europe.

Operating income declined in the third quarter due to a deterioration in mix, slightly lower sales prices and weaker demand in Egypt. The country mix continued to deteriorate as a result of higher sales in Eastern Europe and lower sales in Southern Europe and the Nordic countries. However, increased efficiency within manufacturing and costs savings contributed to operating income.



### Major Appliances North America

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	7,771	7,122	23,477	21,394	27,665
Operating income	523	107	1,194	174	250
Operating margin, %	6.7	1.5	5.1	0.8	0.9
<b>Industry shipments of appliances in the US, units, year-over-year, %</b>					
Core appliances	0	-4	-3	-5	-4
Microwave ovens and home comfort products	4	-	-2	-	-
<b>Total Major Appliances</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>0</b>	<b>-1</b>

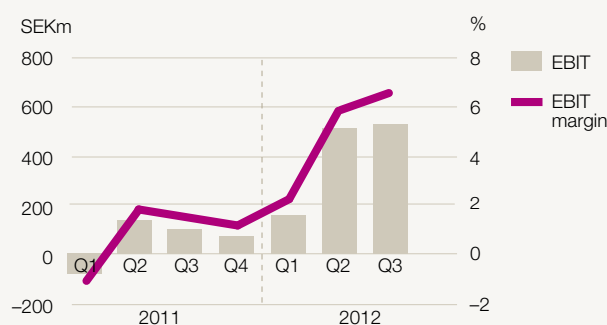
Market demand in North America for core appliances increased slightly during the third quarter of 2012 compared with the corresponding period in 2011. Demand rose in several product categories such as cooking products and freezers.

Market demand for microwave ovens and home comfort products, such as room air-conditioners, increased by 4%. In total, major appliances increased by 1% in the quarter.

Group sales in North America increased year-over-year in the third quarter due to increased volumes of core appliances and improvements in price and mix. Sales volumes rose in several of the product categories in core appliances and the Group continued to gain market share.

Price increases were implemented in April and August of 2011 and in February 2012.

Operating income for the third quarter improved substantially year-over-year due to higher volumes and improvements in price and mix. Lower product costs also contributed to results. Increased costs for sourced products continued to negatively impact results.



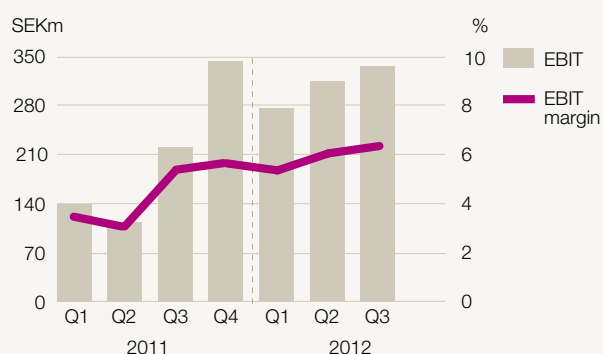
### Major Appliances Latin America

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	5,301	4,101	15,633	11,807	17,810
Operating income	339	222	933	475	820
Operating margin, %	6.4	5.4	6.0	4.0	4.6

Market demand for core appliances in Latin America is estimated to have continued to increase in the third quarter of 2012 compared with last year. Demand for core appliances in Brazil continued to grow due to tax incentives on domestically-produced appliances, a program that has been extended to year-end 2012.

Sales for the Latin American operations rose year-over-year in the quarter as a result of continued strong volume growth. Sales in other Latin American markets outside Brazil increased to about 30% (20) of total sales, primarily as a result of the acquisition of CTI in Chile.

Operating income improved, mainly due to higher sales volumes, higher prices and an improved product and customer mix.



### Major Appliances Asia/Pacific

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	2,107	1,981	6,146	5,672	7,852
Operating income	208	172	535	523	736
Operating margin, %	9.9	8.7	8.7	9.2	9.4

#### Australia and New Zealand

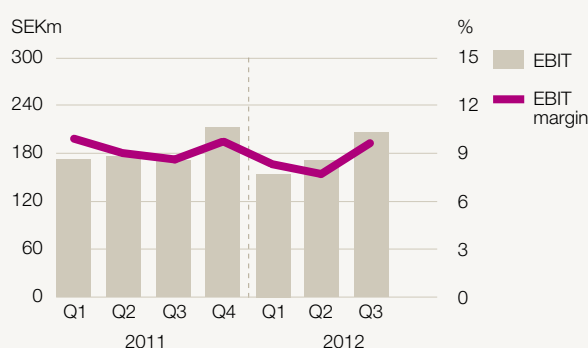
Market demand for appliances in Australia is estimated to have been unchanged in the third quarter of 2012 year-over-year. Group sales declined during the quarter, primarily as a result of lower sales prices and a negative customer mix.

Operating income improved year-over-year, mainly due to positive currency effects as well as cost savings.

#### Southeast Asia and China

Market demand in Southeast Asia is estimated to have continued showing growth in the third quarter of 2012 year-over-year. Demand in China declined. Electrolux sales in Southeast Asia and China continued to display strong growth and the Group's market shares are estimated to have grown.

Operations in Southeast Asia continued to demonstrate favorable profitability and the Group's operation in China made a positive contribution to the income trend.



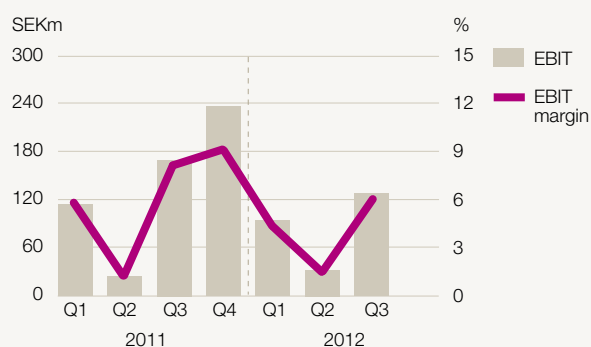
## Small Appliances

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	2,112	2,056	6,322	5,780	8,359
Operating income	126	169	250	306	543
Operating margin, %	6.0	8.2	4.0	5.3	6.5

Market demand for vacuum cleaners in Europe and North America declined in the third quarter compared with the corresponding period 2011.

Group sales increased year-over-year in the third quarter, as a result of higher volumes particularly in growth markets. The Group gained market shares in Europe and North America. Higher sales of vacuum cleaners in Latin America, Asia/Pacific and Europe contributed to the rise in sales. Strong sales growth for small domestic appliances and cordless handheld vacuum cleaners, particularly in Asia/Pacific, also contributed to the improvement in net sales.

Operating income for the third quarter declined year-over-year. Lower sales prices, increased costs for sourced products and deterioration in the mix had a negative impact on operating income. The acquired company Somela in Chile had a positive impact on the results.



## Professional Products

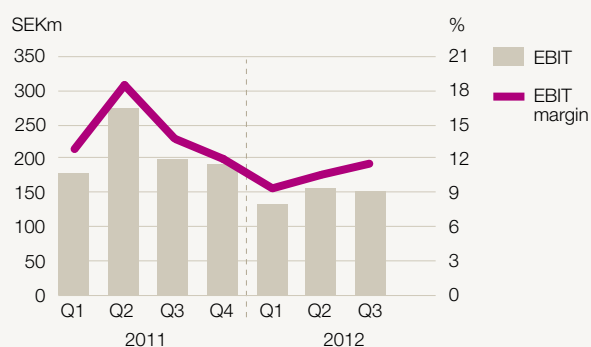
SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	1,299	1,426	4,169	4,295	5,882
Operating income	151	199	438	650	841
Operating margin, %	11.6	14.0	10.5	15.1	14.3

Market demand in Europe for food-service equipment is estimated to have declined in the third quarter of 2012. Sales of food-service equipment declined year-over-year due to lower volumes attributable to weaker markets in Europe. Operating income declined as a result of lower sales volumes and a negative country mix due to lower sales in Europe and increased sales in growth markets. Price increases and cost savings partly offset the decline in income.

During the third quarter, Electrolux launched Electrolux Grand Cuisine, a new product range in the ultra-luxury premium segment for consumers. This kitchen range is the first professional cooking system in the market specifically for home use. The launch is an important strategic move to further leverage on the Group's professional expertise. Read more at [www.grandcuisine.com](http://www.grandcuisine.com).

Costs for the Electrolux Grand Cuisine launch had a negative impact on the results for the quarter.

Market demand during the third quarter for professional laundry equipment is estimated to have declined in Electrolux major markets. Group sales decreased due to lower sales volumes. Operating income decreased as a result of lower volumes, while price increases and an improved product mix made a positive contribution to operating income.



## Cash flow

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Operations	2,135	1,753	5,338	4,185	6,122
Change in operating assets and liabilities	-1,113	674	1,257	653	1,116
Capital expenditure	-1,252	-1,121	-3,262	-3,070	-4,493
<b>Operating cash flow</b>	<b>-230</b>	<b>1,306</b>	<b>3,333</b>	<b>1,768</b>	<b>2,745</b>
Acquisitions and divestments of operations	-119	-2,551	-164	-2,343	-5,556
Financial items paid, net	-164	106	-450	30	-214
Taxes paid	-142	-227	-1,099	-1,179	-1,625
<b>Cash flow from operations and investments</b>	<b>-655</b>	<b>-1,366</b>	<b>1,620</b>	<b>-1,724</b>	<b>-4,650</b>
Dividend	-8	-	-1,868	-1,850	-1,850
Sale of shares	-	-	212	-	-
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>-663</b>	<b>-1,366</b>	<b>-36</b>	<b>-3,574</b>	<b>-6,500</b>

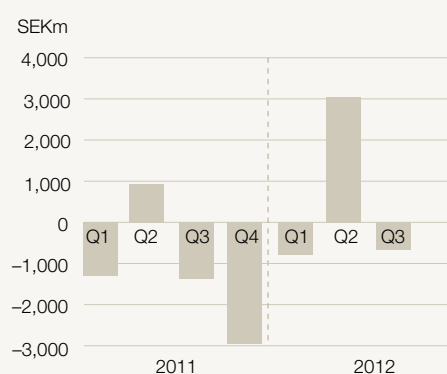
Cash flow from operations and investments in the third quarter of 2012 amounted to SEK -655m (-1,366).

Payments related to the prolonged air-care season in North America and building up of inventories for the stronger fourth quarter negatively impacted operating cash flow in the third quarter of 2012. However, operating cash flow for the first nine months far exceeded the level in the preceding year.

Payments for the ongoing restructuring and cost-cutting programs amounted to approximately SEK -140m for the quarter.

Investments in the third quarter mainly related to investments within manufacturing facilities for new products and production capacity. Major projects include the cooker plant in Memphis, Tennessee, US and the new plant for refrigerators and freezers in Rayong, Thailand, for the Southeast Asian markets. The cooker plant in Memphis is receiving investment support from state authorities.

### Cash flow from operations and investments



## Financial position

### Net borrowings

SEKm	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
Borrowings	14,349	14,595	14,206
Liquid funds	7,816	11,663	7,839
<b>Net borrowings</b>	<b>6,533</b>	<b>2,932</b>	<b>6,367</b>
Net debt/equity ratio	0.34	0.14	0.31
<b>Equity</b>	<b>19,515</b>	<b>20,602</b>	<b>20,644</b>
Equity per share, SEK	68.20	72.37	72.52
Return on equity, %	15.5	12.4	10.4
Equity/assets ratio, %	28.3	31.4	30.1

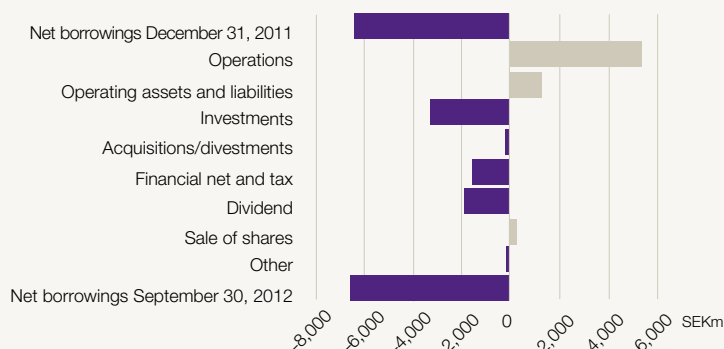
Net borrowings amounted to SEK 6,533m (2,932). The net debt/equity ratio was 0.34 (0.14).

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 September 30, 2012, including long-term borrowings with maturities within 12 months, amounted to SEK 12,162m with average maturity of 2.3 years, compared to SEK 11,669m and 3.0 years at the end of 2011. During the third quarter, SEK 306m of long-term borrowings were amortized. During 2012 and 2013, long-term borrowings in the amount of approximately SEK 3,700m will mature.

Liquid funds as of September 30, 2012, amounted to SEK 7,816m (11,663), excluding short-term back-up facilities.

### Cash flow and change in net borrowings



Electrolux has two unused committed back-up facilities. One EUR 500m multi-currency revolving credit facility, approximately SEK 4,200m, maturing 2016 with extension options for up to two more years and a credit facility of SEK 3,400m maturing 2017.

#### Net assets and working capital

Average net assets for the period amounted to SEK 26,798m (21,031). Net assets as of September 30, 2012, amounted to SEK 26,048m (23,534). 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 27,736m (22,359), corresponding to 25.7% (22.9) of net sales.

Working capital as of September 30, 2012, amounted to SEK -6,128m (-4,967), corresponding to -5.7% (-4.8) of annualized net sales. The return on net assets was 17.7% (15.9), and 17.1% (15.1), excluding items affecting comparability.

## Structural changes

### Adapting manufacturing footprint in Europe

Electrolux is continuing the work to increase production competitiveness by optimizing its industrial production system, as communicated at the Capital Markets Day in November 2011.

Consultation will start with employee representatives regarding the discontinuation of production of top-load washing machines at the plant in Revin, France and to search for external solutions to reindustrialize the site.

Furthermore, Electrolux is initiating several activities to downsize and specialize some of the production, beginning with the plant for refrigerators in Mariestad, Sweden, and the plant for cooking products in Schwanden, Switzerland. The production at the plants in Mariestad and Schwanden will be focusing on premium products, while some of the production will be relocated to other Group production facilities.

Total costs are estimated to approximately SEK 1 billion, which will be charged against operating income within items affecting comparability in the fourth quarter of 2012.

### 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.



## Other items

### Nomination Committee for Electrolux Annual General Meeting 2013

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

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2012. Petra Hedengran, Investor AB, is the Chairman of the committee. The other owner representatives are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur funds, and Johan Sidenmark, AMF. The committee also includes Marcus Wallenberg and Torben Ballegaard Sørensen, Board Chairman and Board member, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2013 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

Electrolux Annual General Meeting 2013 will be held on March 26 at Stockholm Waterfront Congress Centre, situated at Nils Ericsons Plan 4 in Stockholm, Sweden.

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

### 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 September 30, 2012, the Group had a total of 2,915 (2,680) cases pending, representing approximately 2,987 (approximately 2,928) plaintiffs. During the third quarter of 2012, 307 new cases with 307 plaintiffs were filed and 213 pending cases with approximately 213 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.

## 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).

### Press releases 2012

January 10 Electrolux appoints Stefano Marzano to the new role of Chief Design Officer

#### February 2 Consolidated results 2011 and CEO Keith McLoughlin's comments

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

#### April 25 Interim report January-March and CEO Keith McLoughlin's comments

July 3 Electrolux products to be sold at The Home Depot

#### July 19 Interim report January-June and CEO Keith McLoughlin's comments

September 13 Dow Jones Sustainability World Index names Electrolux Durable Household Products sector leader

September 17 Electrolux launches the first and only professional cooking system for consumer homes

September 26 Nomination committee appointed for Electrolux Annual General Meeting 2013

## 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 nine months of 2012 amounted to SEK 4,449m (4,906) of which SEK 2,206m (2,488) referred to sales to Group companies and SEK 2,243m (2,418) to external customers. Income after financial items was SEK 1,325m (1,347), including dividends from subsidiaries in the amount of SEK 1,163m (896). Income for the period amounted to SEK 1,280m (1,244). The Parent Company reports group contribution in the income statement. Corresponding changes have been made in the 2011 financial statements.

Capital expenditure in tangible and intangible assets was SEK 193m (328). Liquid funds at the end of the period amounted to SEK 2,837m, 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 15,379m, 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.

### Review report

We have reviewed this report for the period January 1st to September 30th, 2012 for AB Electrolux (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 22, 2012

PricewaterhouseCoopers AB

Anders Lundin  
Authorized Public Accountant  
Lead partner

Björn Irlé  
Authorized Public Accountant

Stockholm, October 22, 2012

Keith McLoughlin  
President and CEO

### 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.

## Consolidated income statement

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
<b>Net sales</b>	<b>27,171</b>	<b>25,650</b>	<b>80,809</b>	<b>73,229</b>	<b>101,598</b>
Cost of goods sold <sup>*)</sup>	-21,386	-20,914	-64,791	-59,627	-82,840
<b>Gross operating income</b>	<b>5,785</b>	<b>4,736</b>	<b>16,018</b>	<b>13,602</b>	<b>18,758</b>
Selling expenses	-2,799	-2,589	-8,411	-7,883	-10,821
Administrative expenses <sup>*)</sup>	-1,522	-1,049	-4,108	-3,350	-4,972
Other operating income/expenses	-3	-	55	170	190
Items affecting comparability	-	-34	-	-34	-138
<b>Operating income</b>	<b>1,461</b>	<b>1,064</b>	<b>3,554</b>	<b>2,505</b>	<b>3,017</b>
Margin, %	5.4	4.1	4.4	3.4	3.0
Financial items, net	-210	55	-518	-53	-237
<b>Income after financial items</b>	<b>1,251</b>	<b>1,119</b>	<b>3,036</b>	<b>2,452</b>	<b>2,780</b>
Margin, %	4.6	4.4	3.8	3.3	2.7
Taxes	-266	-294	-729	-609	-716
<b>Income for the period</b>	<b>985</b>	<b>825</b>	<b>2,307</b>	<b>1,843</b>	<b>2,064</b>
Available for sale instruments	5	-26	-9	-78	-91
Cash-flow hedges	-	90	-3	139	111
Exchange-rate differences on translation of foreign operations	-1,531	217	-1,461	-55	-223
Income tax relating to other comprehensive income	2	-56	3	-98	-104
<b>Other comprehensive income, net of tax</b>	<b>-1,524</b>	<b>225</b>	<b>-1,470</b>	<b>-92</b>	<b>-307</b>
<b>Total comprehensive income for the period</b>	<b>-539</b>	<b>1,050</b>	<b>837</b>	<b>1,751</b>	<b>1,757</b>
Income for the period attributable to:					
Equity holders of the Parent Company	983	826	2,305	1,844	2,064
Non-controlling interests	2	-1	2	-1	-
<b>Total</b>	<b>985</b>	<b>825</b>	<b>2,307</b>	<b>1,843</b>	<b>2,064</b>
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	-534	1,046	840	1,747	1,752
Non-controlling interests	-5	4	-3	4	5
<b>Total</b>	<b>-539</b>	<b>1,050</b>	<b>837</b>	<b>1,751</b>	<b>1,757</b>
Earnings per share, SEK	3.43	2.90	8.06	6.48	7.25
Diluted, SEK	3.42	2.88	8.04	6.44	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	285.8	284.7	284.7
Diluted, million	287.0	286.0	286.5	286.2	286.1

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

## Items affecting comparability

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
<b>Restructuring provisions and write-downs</b>					
Appliances plant in Kinston, USA	-	-	-	-	-104
Reduced workforce in Major Appliances, Europe	-	-54	-	-54	-54
Reversal of unused restructuring provisions	-	20	-	20	20
<b>Total</b>	<b>-</b>	<b>-34</b>	<b>-</b>	<b>-34</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	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
<b>Assets</b>			
Property, plant and equipment	16,009	15,189	15,613
Goodwill	5,618	3,806	6,008
Other intangible assets	4,977	4,149	5,146
Investments in associates	12	18	18
Deferred tax assets	3,117	2,839	2,980
Financial assets	521	518	517
Other non-current assets	3,062	2,938	3,036
<b>Total non-current assets</b>	<b>33,316</b>	<b>29,457</b>	<b>33,318</b>
Inventories	13,899	12,926	11,957
Trade receivables	17,815	18,350	19,226
Tax assets	486	444	666
Derivatives	237	514	252
Other current assets	3,582	4,164	3,662
Short-term investments	491	635	337
Cash and cash equivalents	6,836	10,226	6,966
<b>Total current assets, excluding assets held for sale</b>	<b>43,346</b>	<b>47,259</b>	<b>43,066</b>
<b>Current assets classified as held for sale<sup>1)</sup></b>	<b>–</b>	<b>537</b>	<b>–</b>
<b>Total current assets</b>	<b>43,346</b>	<b>47,796</b>	<b>43,066</b>
<b>Total assets</b>	<b>76,662</b>	<b>77,253</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	–1,140	538	324
Retained earnings	16,172	15,538	15,761
<b>Total equity</b>	<b>19,482</b>	<b>20,526</b>	<b>20,535</b>
Non controlling interests	33	76	109
<b>Total equity</b>	<b>19,515</b>	<b>20,602</b>	<b>20,644</b>
Long-term borrowings	9,158	11,826	9,639
Deferred tax liabilities	1,140	956	1,127
Provisions for post-employment benefits	1,976	1,924	2,111
Other provisions	4,728	5,126	5,300
<b>Total non-current liabilities</b>	<b>17,002</b>	<b>19,832</b>	<b>18,177</b>
Accounts payable	20,191	18,987	18,490
Tax liabilities	1,565	1,629	1,717
Short-term liabilities	11,380	11,695	10,497
Short-term borrowings	4,715	2,352	4,170
Derivatives	353	272	324
Other provisions	1,941	1,884	2,365
<b>Total current liabilities</b>	<b>40,145</b>	<b>36,819</b>	<b>37,563</b>
<b>Total equity and liabilities</b>	<b>76,662</b>	<b>77,253</b>	<b>76,384</b>
<b>Contingent liabilities</b>	<b>1,729</b>	<b>1,263</b>	<b>1,276</b>

1) Non-core assets from the acquisition of Olympic Group.

## Change in consolidated equity

SEKm	Sept. 30, 2012	Sept. 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>837</b>	<b>1,751</b>	<b>1,757</b>
Share-based payment	–152	17	29
Sale of shares	212	–	–
Dividend	–1,860	–1,850	–1,850
Dividend to non-controlling interests	–8	–	–1
Acquisition of operations	–158	71	96
<b>Total transactions with equity holders</b>	<b>–1,966</b>	<b>–1,762</b>	<b>–1,726</b>
<b>Closing balance</b>	<b>19,515</b>	<b>20,602</b>	<b>20,644</b>

## Consolidated cash flow statement

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
<b>Operations</b>					
Operating income	1,461	1,064	3,554	2,505	3,017
Depreciation and amortization	809	788	2,455	2,355	3,173
Capital gain/loss included in operating income	1	-4	-52	-174	-207
Restructuring provisions	-147	-103	-467	-518	110
Share-based compensation	11	8	-152	17	29
Financial items paid, net	-164	106	-450	30	-214
Taxes paid	-142	-227	-1,099	-1,179	-1,625
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>1,829</b>	<b>1,632</b>	<b>3,789</b>	<b>3,036</b>	<b>4,283</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	-506	279	-2,703	-1,380	269
Change in trade receivables	-831	-958	316	647	244
Change in other current assets	-77	44	-10	-453	200
Change in accounts payable	-66	278	2,790	1,611	1,379
Change in other operating liabilities and provisions	367	1,031	864	228	-976
<b>Cash flow from change in operating assets and liabilities</b>	<b>-1,113</b>	<b>674</b>	<b>1,257</b>	<b>653</b>	<b>1,116</b>
<b>Cash flow from operations</b>	<b>716</b>	<b>2,306</b>	<b>5,046</b>	<b>3,689</b>	<b>5,399</b>
<b>Investments</b>					
Acquisition of operations	-119	-2,556	-164	-2,556	-6,377
Divestment of operations	-	5	-	213	821
Capital expenditure in property, plant and equipment	-998	-857	-2,815	-2,138	-3,163
Capital expenditure in product development	-106	-149	-297	-323	-374
Capital expenditure in software	-149	-182	-397	-514	-744
Other <sup>1)</sup>	1	67	247	-95	-212
<b>Cash flow from investments</b>	<b>-1,371</b>	<b>-3,672</b>	<b>-3,426</b>	<b>-5,413</b>	<b>-10,049</b>
<b>Cash flow from operations and investments</b>	<b>-655</b>	<b>-1,366</b>	<b>1,620</b>	<b>-1,724</b>	<b>-4,650</b>
<b>Financing</b>					
Change in short-term investments	129	747	-160	1,056	1,444
Change in short-term borrowings	-157	-69	-473	-100	-619
New long-term borrowings	50	1,003	1,057	3,503	3,503
Amortization of long-term borrowings	-306	-8	-319	-911	-1,161
Dividend	-8	-	-1,868	-1,850	-1,850
Sale of shares	-	-	212	-	-
<b>Cash flow from financing</b>	<b>-292</b>	<b>1,673</b>	<b>-1,551</b>	<b>1,698</b>	<b>1,317</b>
<b>Total cash flow</b>	<b>-947</b>	<b>307</b>	<b>69</b>	<b>-26</b>	<b>-3,333</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,985</b>	<b>9,905</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>-202</b>	<b>14</b>	<b>-199</b>	<b>-137</b>	<b>-90</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,836</b>	<b>10,226</b>	<b>6,836</b>	<b>10,226</b>	<b>6,966</b>

1) Includes grants related to investments of SEK 396m for the first nine months of 2012.

## Key ratios

SEKm unless otherwise stated	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Net sales	27,171	25,650	80,809	73,229	101,598
Organic growth, %	4.6	1.5	4.6	0.2	0.2
Items affecting comparability	–	–34	–	–34	–138
Operating income	1,461	1,064	3,554	2,505	3,017
Margin, %	5.4	4.1	4.4	3.4	3.0
Income after financial items	1,251	1,119	3,036	2,452	2,780
Income for the period	985	825	2,307	1,843	2,064
Capital expenditure, property, plant and equipment	–998	–857	–2,815	–2,138	–3,163
Operating cash flow	–230	1,306	3,333	1,768	2,745
Earnings per share, SEK <sup>1)</sup>	3.43	2.90	8.06	6.48	7.25
Equity per share, SEK	–	–	68.20	72.37	72.52
Capital-turnover rate, times/year	–	–	4.0	4.6	4.6
Return on net assets, %	–	–	17.7	15.9	13.7
Return on equity, %	–	–	15.5	12.4	10.4
Net borrowings	–	–	6,533	2,932	6,367
Net debt/equity ratio	–	–	0.34	0.14	0.31
Average number of shares excluding shares owned by Electrolux, million	286.1	284.7	285.8	284.7	284.7
Average number of employees	60,235	52,693	59,200	51,679	52,916
<b>Excluding items affecting comparability</b>					
Operating income	1,461	1,098	3,554	2,539	3,155
Margin, %	5.4	4.3	4.4	3.5	3.1
Earnings per share, SEK <sup>1)</sup>	3.43	2.96	8.06	6.54	7.55
Capital-turnover rate, times/year	–	–	3.9	4.4	4.3
Return on net assets, %	–	–	17.1	15.1	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 September 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	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Major Appliances Europe, Middle East and Africa	8,581	8,964	25,062	24,280	34,029
Major Appliances North America	7,771	7,122	23,477	21,394	27,665
Major Appliances Latin America	5,301	4,101	15,633	11,807	17,810
Major Appliances Asia/Pacific	2,107	1,981	6,146	5,672	7,852
Small Appliances	2,112	2,056	6,322	5,780	8,359
Professional Products	1,299	1,426	4,169	4,295	5,882
Other	–	–	–	1	1
<b>Total</b>	<b>27,171</b>	<b>25,650</b>	<b>80,809</b>	<b>73,229</b>	<b>101,598</b>

## Operating income by business area

SEKm	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
Major Appliances Europe, Middle East and Africa	303	444	799	911	709
Margin, %	3.5	5.0	3.2	3.8	2.1
Major Appliances North America	523	107	1,194	174	250
Margin, %	6.7	1.5	5.1	0.8	0.9
Major Appliances Latin America	339	222	933	475	820
Margin, %	6.4	5.4	6.0	4.0	4.6
Major Appliances Asia/Pacific	208	172	535	523	736
Margin, %	9.9	8.7	8.7	9.2	9.4
Small Appliances	126	169	250	306	543
Margin, %	6.0	8.2	4.0	5.3	6.5
Professional Products	151	199	438	650	841
Margin, %	11.6	14.0	10.5	15.1	14.3
Common Group costs, etc.	-189	-215	-595	-500	-744
<b>Total Group, excluding items affecting comparability</b>	<b>1,461</b>	<b>1,098</b>	<b>3,554</b>	<b>2,539</b>	<b>3,155</b>
<b>Margin, %</b>	<b>5.4</b>	<b>4.3</b>	<b>4.4</b>	<b>3.5</b>	<b>3.1</b>
Items affecting comparability	–	-34	–	-34	-138
<b>Operating income</b>	<b>1,461</b>	<b>1,064</b>	<b>3,554</b>	<b>2,505</b>	<b>3,017</b>
<b>Margin, %</b>	<b>5.4</b>	<b>4.1</b>	<b>4.4</b>	<b>3.4</b>	<b>3.0</b>

## Change in net sales by business area

Year-over-year, %	Q3 2012	Q3 2012 in comparable currencies	Nine months 2012	Nine months 2012 in comparable currencies
Major Appliances Europe, Middle East and Africa	-4.3	1.6	3.2	5.5
Major Appliances North America	9.1	6.3	9.7	3.9
Major Appliances Latin America	29.3	45.2	32.4	42.4
Major Appliances Asia/Pacific	6.4	3.6	8.4	2.6
Small Appliances	2.7	5.9	9.4	8.8
Professional Products	-8.9	-4.8	-2.9	-2.1
<b>Total change</b>	<b>5.9</b>	<b>9.7</b>	<b>10.4</b>	<b>10.1</b>

## Change in operating income by business area

Year-over-year, %	Q3 2012	Q3 2012 in comparable currencies	Nine months 2012	Nine months 2012 in comparable currencies
Major Appliances Europe, Middle East and Africa	-31.8	-28.4	-12.3	-12.0
Major Appliances North America	388.8	379.0	586.2	557.8
Major Appliances Latin America	52.7	66.2	96.4	103.3
Major Appliances Asia/Pacific	20.9	18.1	2.3	-2.1
Small Appliances	-25.4	-22.2	-18.3	-16.2
Professional Products	-24.1	-18.6	-32.6	-31.6
<b>Total change, excluding items affecting comparability</b>	<b>33.1</b>	<b>37.6</b>	<b>40.0</b>	<b>39.6</b>

## Working capital and net assets

SEKm	Sept. 30, 2012	% of annualized net sales	Sept. 30, 2011	% of annualized net sales	Dec. 31, 2011	% of annualized net sales
Inventories	13,899	13.0	12,926	12.5	11,957	10.5
Trade receivables	17,815	16.7	18,350	17.7	19,226	17.0
Accounts payable	-20,191	-18.9	-18,987	-18.3	-18,490	-16.3
Provisions	-8,645	-	-8,934	-	-9,776	-
Prepaid and accrued income and expenses	-7,569	-	-7,345	-	-6,598	-
Taxes and other assets and liabilities	-1,437	-	-977	-	-1,499	-
<b>Working capital</b>	<b>-6,128</b>	<b>-5.7</b>	<b>-4,967</b>	<b>-4.8</b>	<b>-5,180</b>	<b>-4.6</b>
Property, plant and equipment	16,009	-	15,189	-	15,613	-
Goodwill	5,618	-	3,806	-	6,008	-
Other non-current assets	8,572	-	7,623	-	8,717	-
Deferred tax assets and liabilities	1,977	-	1,883	-	1,853	-
<b>Net assets</b>	<b>26,048</b>	<b>24.4</b>	<b>23,534</b>	<b>22.7</b>	<b>27,011</b>	<b>23.8</b>
Average net assets	26,798	24.9	21,031	21.5	22,091	21.7
Average net assets, excluding items affecting comparability	27,736	25.7	22,359	22.9	23,354	23.0

## Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
Major Appliances Europe, Middle East and Africa	22,851	26,336	24,297	13,921	14,933	14,847	8,930	11,403	9,450
Major Appliances North America	12,922	10,992	10,391	8,016	6,914	5,075	4,906	4,078	5,316
Major Appliances Latin America	13,397	9,627	14,075	6,628	5,906	6,607	6,769	3,721	7,468
Major Appliances Asia/Pacific	4,781	4,336	4,630	2,556	2,425	2,590	2,225	1,911	2,040
Small Appliances	4,597	4,261	4,792	2,952	2,459	2,582	1,645	1,802	2,210
Professional Products	2,698	2,894	2,829	1,855	1,905	1,897	843	989	932
Other <sup>1)</sup>	7,530	7,120	7,414	5,943	6,361	6,816	1,587	759	598
Items affecting comparability	70	24	117	927	1,153	1,120	-857	-1,129	-1,003
<b>Total operating assets and liabilities</b>	<b>68,846</b>	<b>65,590</b>	<b>68,545</b>	<b>42,798</b>	<b>42,056</b>	<b>41,534</b>	<b>26,048</b>	<b>23,534</b>	<b>27,011</b>
Liquid funds	7,816	11,663	7,839	-	-	-	-	-	-
Interest-bearing receivables	-	-	-	-	-	-	-	-	-
Interest-bearing liabilities	-	-	-	14,349	14,595	14,206	-	-	-
Equity	-	-	-	19,515	20,602	20,644	-	-	-
<b>Total</b>	<b>76,662</b>	<b>77,253</b>	<b>76,384</b>	<b>76,662</b>	<b>77,253</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	27,171		
Operating income	696	745	1,064	512	3,017	943	1,150	1,461		
Margin, %	3.0	3.1	4.1	1.8	3.0	3.6	4.1	5.4		
Operating income, excluding items affecting comparability	696	745	1,098	616	3,155	943	1,150	1,461		
Margin, %	3.0	3.1	4.3	2.2	3.1	3.6	4.1	5.4		
Income after financial items	637	696	1,119	328	2,780	792	993	1,251		
Income after financial items, excluding items affecting comparability	637	696	1,153	432	2,918	792	993	1,251		
Income for the period	457	561	825	221	2,064	559	763	985		
Earnings per share, SEK <sup>1)</sup>	1.61	1.97	2.90	0.77	7.25	1.96	2.67	3.43		
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	3.43		
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	286.1		
Average number of shares after buy-backs, million	284.7	284.7	284.7	284.7	284.7	285.4	286.1	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	8,581		
Operating income	311	156	444	–202	709	281	215	303		
Margin, %	4.1	2.0	5.0	–2.1	2.1	3.4	2.6	3.5		
<b>Major Appliances North America</b>										
Net sales	6,728	7,544	7,122	6,271	27,665	7,107	8,599	7,771		
Operating income	–71	138	107	76	250	159	512	523		
Margin, %	–1.1	1.8	1.5	1.2	0.9	2.2	6.0	6.7		
<b>Major Appliances Latin America</b>										
Net sales	3,998	3,708	4,101	6,003	17,810	5,149	5,183	5,301		
Operating income	139	114	222	345	820	278	316	339		
Margin, %	3.5	3.1	5.4	5.7	4.6	5.4	6.1	6.4		
<b>Major Appliances Asia/Pacific</b>										
Net sales	1,746	1,945	1,981	2,180	7,852	1,841	2,198	2,107		
Operating income	174	177	172	213	736	155	172	208		
Margin, %	10.0	9.1	8.7	9.8	9.4	8.4	7.8	9.9		
<b>Small Appliances</b>										
Net sales	1,930	1,794	2,056	2,579	8,359	2,105	2,105	2,112		
Operating income	114	23	169	237	543	93	31	126		
Margin, %	5.9	1.3	8.2	9.2	6.5	4.4	1.5	6.0		
<b>Professional Products</b>										
Net sales	1,378	1,491	1,426	1,587	5,882	1,408	1,462	1,299		
Operating income	177	274	199	191	841	132	155	151		
Margin, %	12.8	18.4	14.0	12.0	14.3	9.4	10.6	11.6		
<b>Other</b>										
Net sales	–	1	–	–	1	–	–	–		
Operating income, common group costs, etc.	–148	–137	–215	–244	–744	–155	–251	–189		
<b>Total Group, excluding items affecting comparability</b>										
Net sales	23,436	24,143	25,650	28,369	101,598	25,875	27,763	27,171		
Operating income	696	745	1,098	616	3,155	943	1,150	1,461		
Margin, %	3.0	3.1	4.3	2.2	3.1	3.6	4.1	5.4		
<b>Items affecting comparability</b>	–	–	–34	–104	–138	–	–	–		
<b>Total Group</b>										
Net sales	23,436	24,143	25,650	28,369	101,598	25,875	27,763	27,171		
Operating income	696	745	1,064	512	3,017	943	1,150	1,461		
Margin, %	3.0	3.1	4.1	1.8	3.0	3.6	4.1	5.4		

## Exchange rates

SEK	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
AUD, average	7.02	6.66	6.72
AUD, end of period	6.81	6.65	7.02
BRL, average	3.54	3.92	3.88
BRL, end of period	3.21	3.69	3.68
CAD, average	6.77	6.52	6.55
CAD, end of period	6.65	6.55	6.77
EUR, average	8.73	9.01	9.02
EUR, end of period	8.43	9.25	8.93
GBP, average	10.72	10.29	10.36
GBP, end of period	10.57	10.68	10.65
HUF, average	0.0300	0.0331	0.0322
HUF, end of period	0.0296	0.0316	0.0287
USD, average	6.77	6.40	6.48
USD, end of period	6.52	6.84	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	Q3 2012	Q3 2011	Nine months 2012	Nine months 2011	Full year 2011
<b>Net sales</b>	<b>1,534</b>	<b>1,650</b>	<b>4,449</b>	<b>4,906</b>	<b>6,660</b>
Cost of goods sold	-1,100	-1,312	-3,261	-3,712	-5,023
<b>Gross operating income</b>	<b>434</b>	<b>338</b>	<b>1,188</b>	<b>1,194</b>	<b>1,637</b>
Selling expenses	-308	-227	-882	-776	-1,109
Administrative expenses	-150	-41	-264	-408	-295
Other operating income	34	69	171	191	298
Other operating expenses	-	-	-1	-10	-10
<b>Operating income</b>	<b>10</b>	<b>139</b>	<b>212</b>	<b>191</b>	<b>521</b>
Financial income	818	222	1,646	1,310	2,727
Financial expenses	-245	-27	-533	-154	-344
<b>Financial items, net</b>	<b>573</b>	<b>195</b>	<b>1,113</b>	<b>1,156</b>	<b>2,383</b>
<b>Income after financial items</b>	<b>583</b>	<b>334</b>	<b>1,325</b>	<b>1,347</b>	<b>2,904</b>
Appropriations	3	8	10	23	32
<b>Income before taxes</b>	<b>586</b>	<b>342</b>	<b>1,335</b>	<b>1,370</b>	<b>2,936</b>
Taxes	22	-75	-55	-126	-191
<b>Income for the period</b>	<b>608</b>	<b>267</b>	<b>1,280</b>	<b>1,244</b>	<b>2,745</b>

## Parent Company, balance sheet

SEKm	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
<b>Assets</b>			
Non-current assets	33,377	31,149	33,247
Current assets	17,265	17,518	14,833
<b>Total assets</b>	<b>50,642</b>	<b>48,667</b>	<b>48,080</b>
<b>Equity and liabilities</b>			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	15,379	14,431	15,938
<b>Total equity</b>	<b>19,941</b>	<b>18,993</b>	<b>20,500</b>
Untaxed reserves	587	606	597
Provisions	847	753	732
Non-current liabilities	8,736	11,374	9,220
Current liabilities	20,531	16,941	17,031
<b>Total equity and liabilities</b>	<b>50,642</b>	<b>48,667</b>	<b>48,080</b>
<b>Pledged assets</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Contingent liabilities</b>	<b>1,663</b>	<b>1,455</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
<b>Excluding items affecting comparability</b>					
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 third-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 October 22, 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 third-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 available at

[www.electrolux.com/ir](http://www.electrolux.com/ir)

### Calendar 2013

#### Financial reports 2013

Consolidated results	February 1
Interim report January – March	April 25
Interim report January – June	July 19
Interim report January – September	October 25

#### Annual Report 2012

Available at the Group's website	Week 10
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#### Annual General Meeting 2013

March 26

The Annual General Meeting will be held at Stockholm Waterfront Congress Centre, situated at Nils Ericsons Plan 4 in Stockholm.

#### 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 October 22, 2012.*

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