Acquisition of GE Appliances

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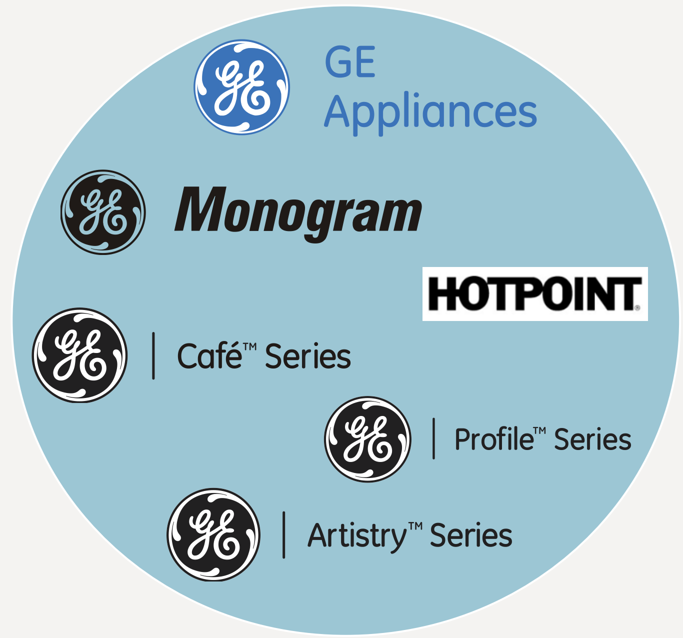
Electrolux

Transaction highlights

- Electrolux to acquire GE’s appliance business
- The deal will enhance Electrolux position as a global home appliance company
- Attractive valuation with an estimated EBITDA multiple of 7.0-7.3x (FY 2014) pre-synergies
- Electrolux takes an important step towards realizing its vision

A portfolio of strong brands

+



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A transformational step towards our vision

Our Vision We will be the best appliance company in the world

As measured by...

...our customers

...our employees

...our shareholders

Agenda

1. Transaction overview

2. Strategic rationale

3. Overview of GE Appliances

4. Financial impacts and funding overview

5. Summary / concluding remarks

Transaction overview

Overview	• Electrolux has agreed to acquire GE Appliances for a cash consideration of USD 3.3 billion • The deal is primarily an asset transaction • Transaction includes GE's 48.4% ownership in Mabe
Rationale	• Improving global scale in home appliances • Significant synergies particularly in sourcing and operations • The transaction is expected to be EPS accretive in year 1
Financing	• Financed with a fully committed bridge facility • Rights issue ~25%
Conditions	• Subject to approval from regulatory authorities
Timetable	• Expected closing: 2015 • Rights issue: As soon as possible following acquisition completion

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Strategic rationale

A global player in home appliances

- Pro forma sales of USD 22.5 billion
- Well positioned to succeed in increasingly global and competitive industry

1. Enhances Electrolux presence in North America

- Provides scale and leverage to accelerate growth
- Broader geographic coverage

2. Attractive strategic fit

- Complementary brands and products
- Enhanced R&D, technology, manufacturing and sourcing capabilities

3. Significant synergies

- Run-rate synergies of USD 300 million
- Primarily derived from sourcing and operations
- Earnings accretive from year 1

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1. Enhances Electrolux presence in North America

Pro forma revenues by business area (2013)

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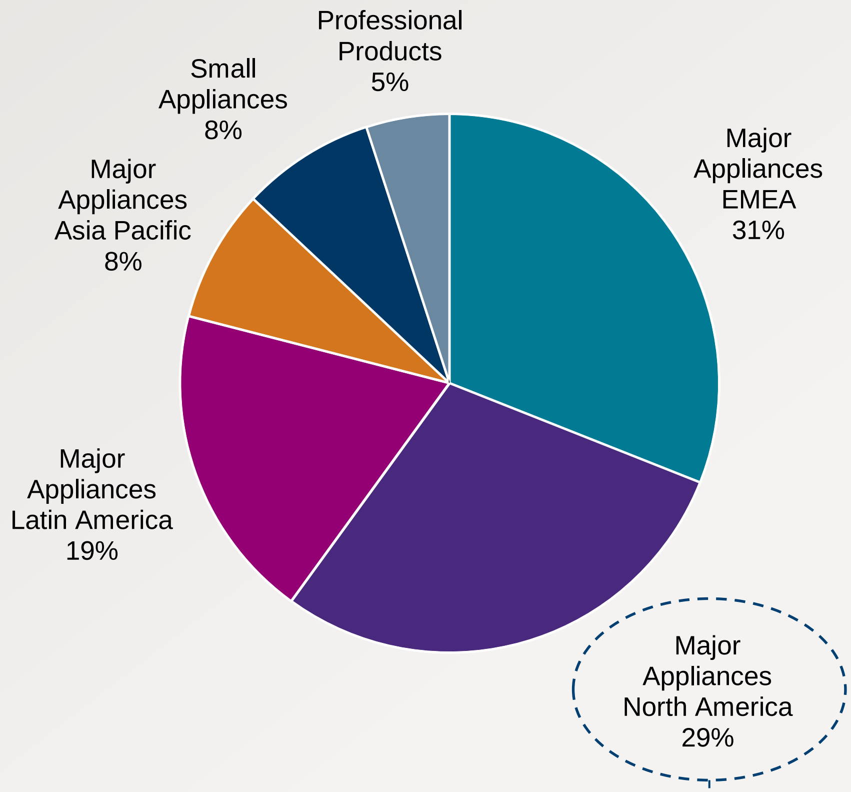
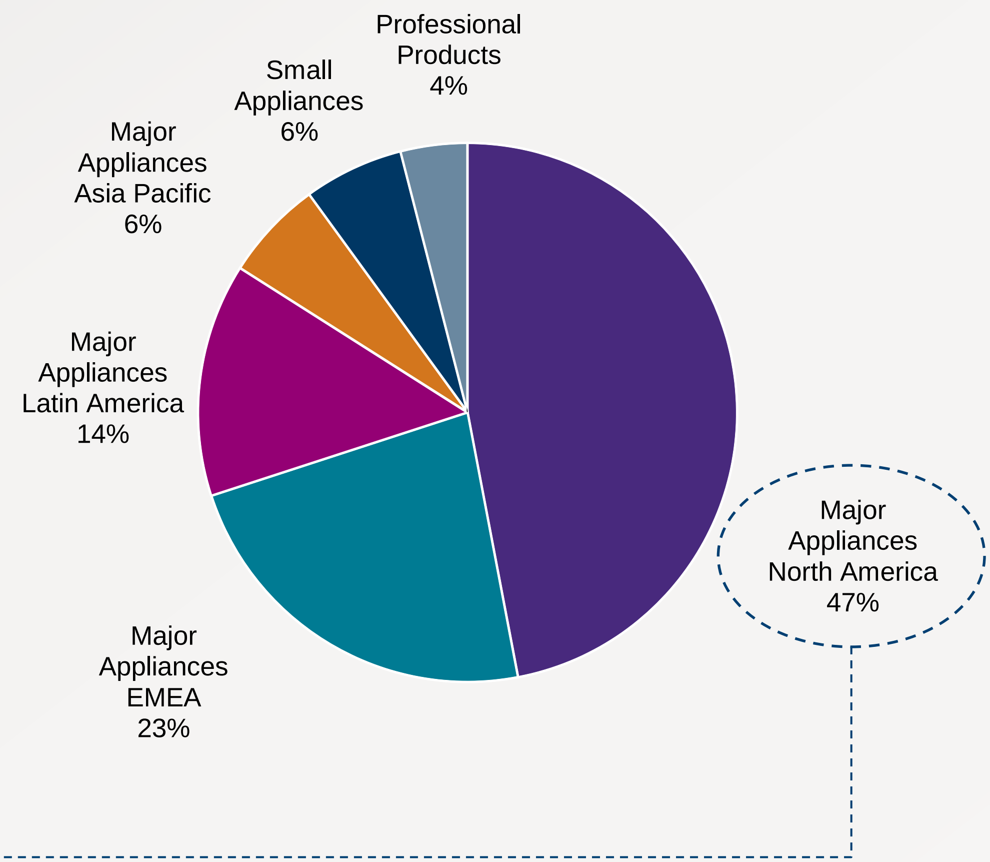


Total: SEK 109 bn (USD 17bn)

Electrolux + GE Appliances[a]



Total: SEK 147 bn (USD 22.5bn)

Note: Figures in USD have been converted to SEK at an exchange rate of SEK/USD 6.515, the average exchange rate in 2013

(a) Excludes 48% stake in Mabe

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2. Attractive strategic fit

Electrolux + GE

Brands and products

- Well-known brands, with mid/high position
- Ability to invest in brands and products
- Nationwide distribution and logistics network

✓

Retail Focus

- Local market presence with trade and consumers
- Effective retail merchandising
- Digital and online capabilities

✓

R&D and technology

- Pipeline, skills and processes to continuously launch innovative products
- Global product platforms and modules
- Scale to afford investment in products (full range)

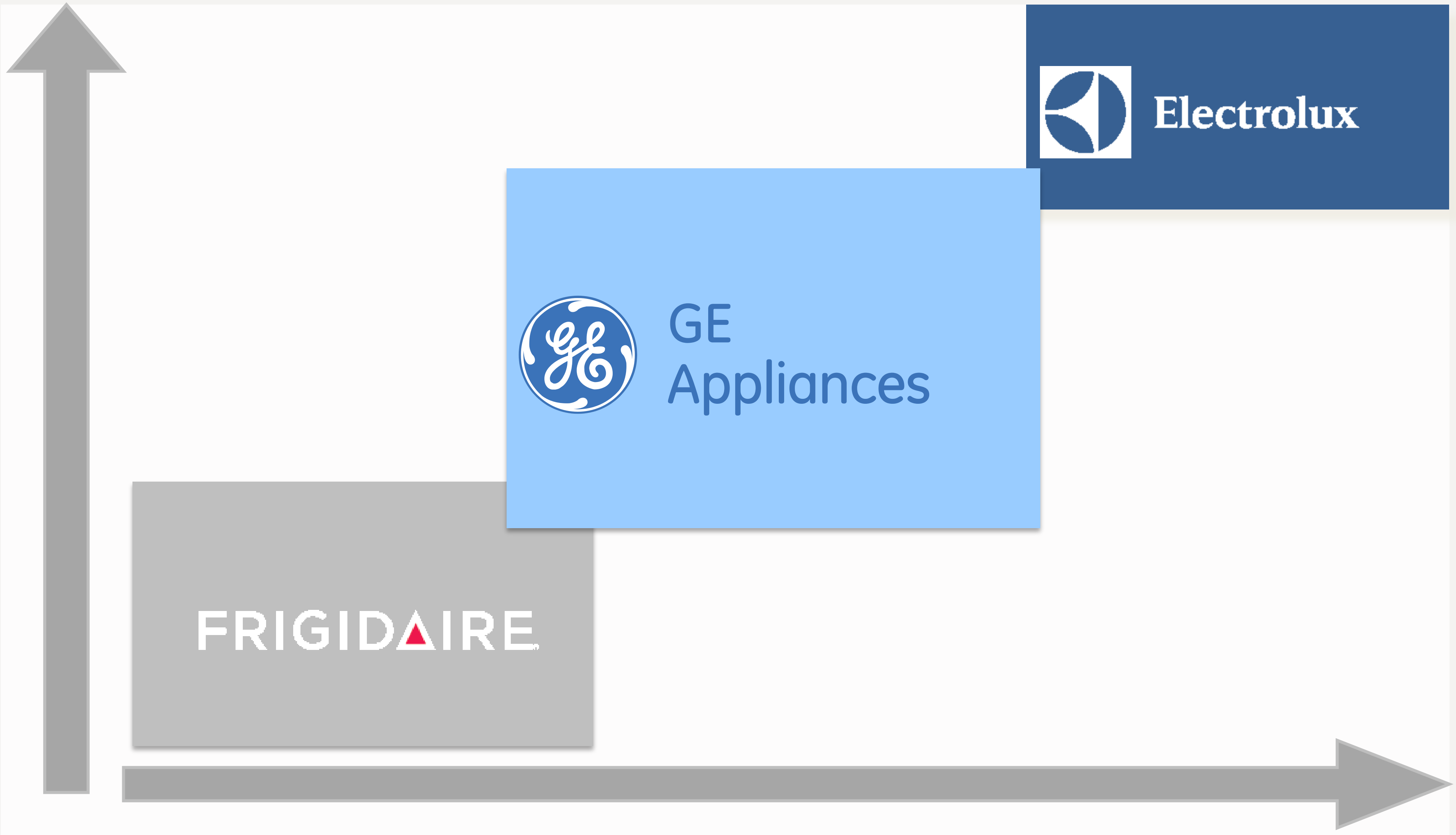
✓

Manufacturing and sourcing

- Production and sourcing on a global scale
- Optimized manufacturing footprint
- Lean SG&A for a cost efficient organisation

✓

2. Strategic fit
Combining high quality brand portfolios



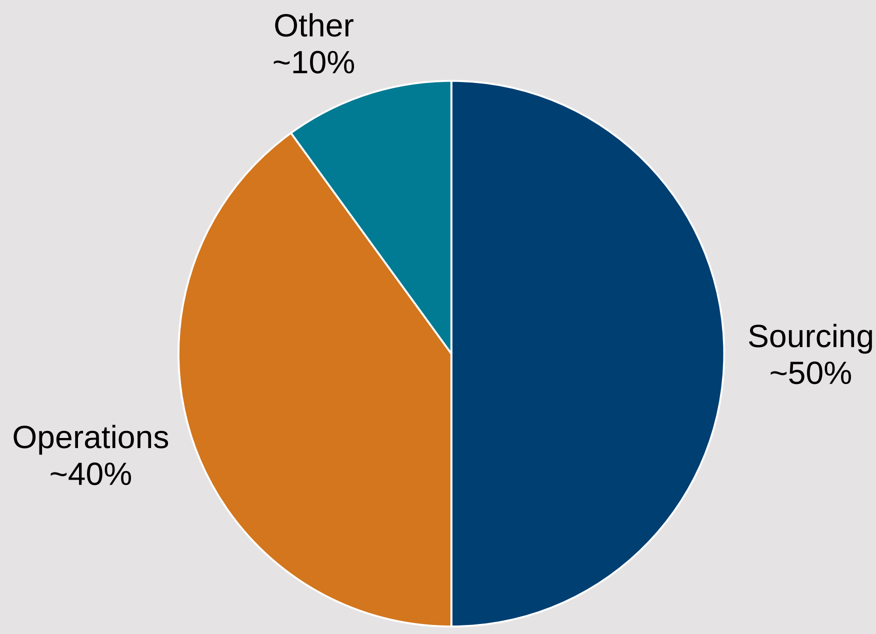
3. Significant synergies

Run-rate of USD 300 million

Synergies

- The deal is expected to generate annual synergies of USD 300m
- The largest part of synergies expected in sourcing, operations, logistics and brands
- One-off implementation costs of USD 300m
- Implementation capex of USD 60m expected for the first two years

Expected synergy breakdown



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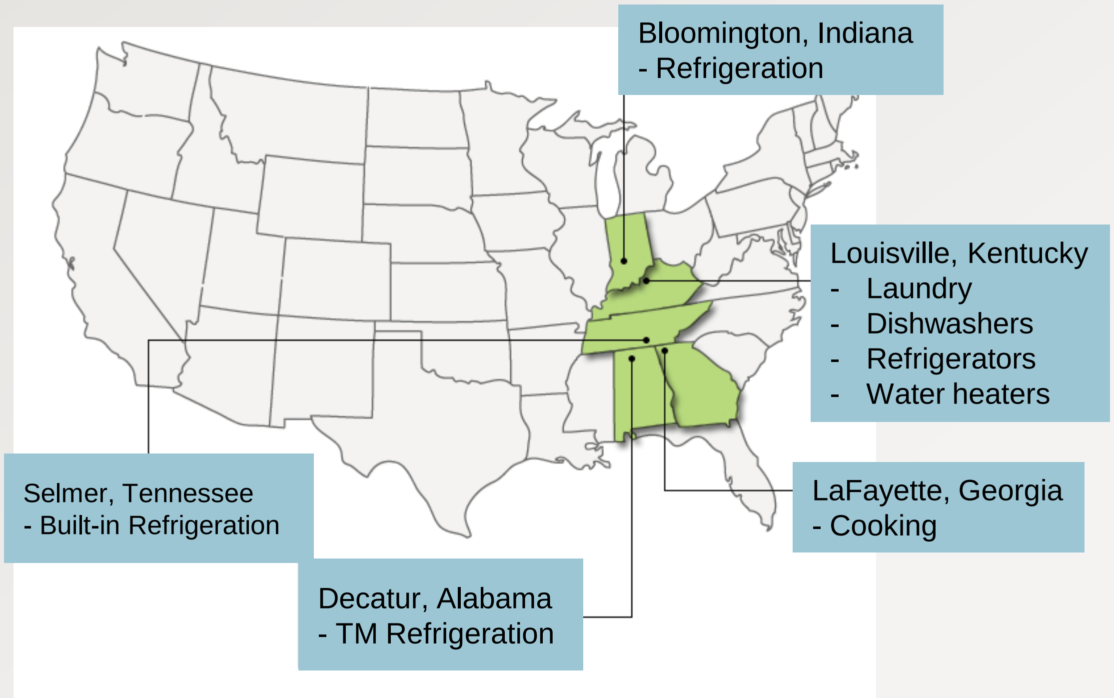
Overview of GE Appliances



- Focus on US major appliances
- 2013 revenue of USD 5.7 billion and EBITDA of USD 355 million (excluding Mabe)
- Manufacturing footprint across 5 states – 12,000 employees
- Own distribution/logistics network and direct one-step retail channel strategy
- USD 1 billion of investments in R&D, products, and manufacturing capabilities over the last three years
- Innovative product portfolio
- Joint venture with 48.4% stake in Mabe

HOTPOINT | Artistry™ Series | GE Appliances | Profile™ Series | Café™ Series | Monogram

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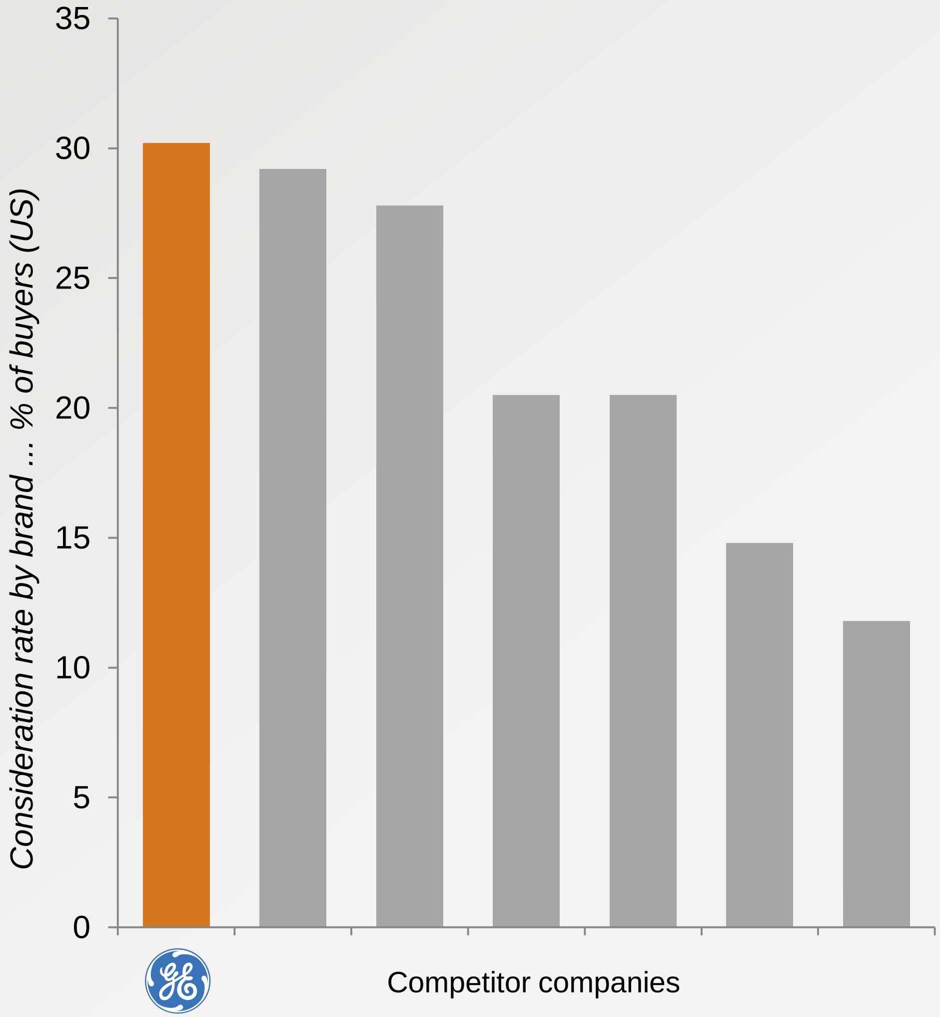
Overview of GE Appliances

Strong brand recognition



Source: Stevenson Co., Traqline

Well-invested asset base

Recent USD 1 billion investment

Products	• 10 new product platforms • 500+ new products
Plants	• 6 factory renovations • New assembly lines • Modern equipment
Processes	• Lean approach • USD 20 million in product lab upgrades • 3D printing capabilities

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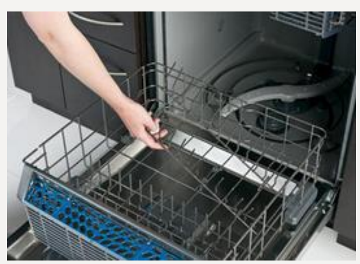
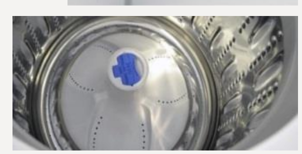
Broad cooking offering, dishwashers, laundry and refrigerators

Broad cooking offering



Stainless Steel and Hybrid Dishwashers



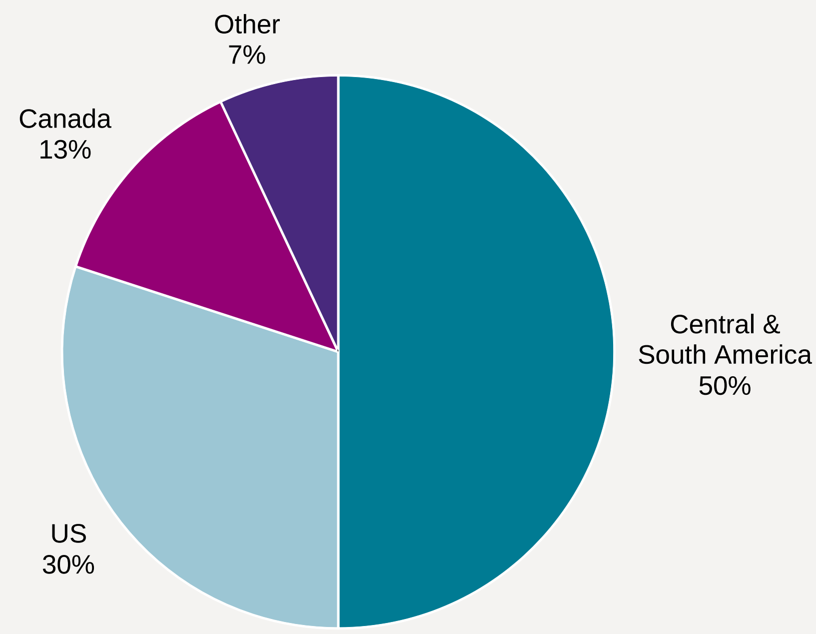
Top Load
High Efficiency Washers

Built-in and Freestanding

Joint venture with Mabe

- Leading player in Mexico's white goods segment
- 2013 revenue of USD 2.9 billion
- Strong brand recognition across Latin America
- Attractive brand portfolio and geographic footprint
- Long-term supplier agreement with GE Appliances
- GE Appliances' share of Mabe net income of USD 35 million in 2013
- To be accounted for as an associated company

2013 Sales breakdown
(by region)



mabe

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Financial impacts

- Combined businesses creates a solid financial foundation to drive future growth
- Substantial synergies expected through combined scale and efficiencies
- The deal is primarily an asset transaction
- The transaction is expected to be EPS accretive in year 1
- EBITDA multiple in the range of 7.0-7.3x pre-synergies[a], based on a EV of USD 3.45 bn
- Earnings and cash flow generation capacity are being further enhanced

a) EBITDA for multiple range includes 48.4% consolidation of Mabe 2014 full year expected EBITDA.
EV based on cash consideration USD 3.3 bn and assumed debt of USD 150 m.

Key financials (excluding synergies)

Key Financials 2013, USD	Electrolux	GE Appliances (incl 48.4% of Mabe)	Combined Proforma
Sales	16.8 billion	5.7 billion	22.5 billion
EBITDA	1.1 billion	390 million	1.5 billion
EBITDA margin	6.8%	6.8%	6.8%

Note: Proforma figures have been converted to USD at an exchange rate of USD/SEK 6.515, the average exchange rate in 2013

How the transaction will be financed

Financing structure, steps:

1. 100% bridge facility
   - Bridge financing arranged by Deutsche Bank and SEB
2. Rights issue ~25% and bond take out ~75%
   - Rights issue to be executed following completion of the transaction
   - Take out financing following completion

Financial position

- Post closing and rights issue, financial net debt of around SEK 25 billion (8 billion + 17 billion)
- Financing structure consistent with financial policy to retain investment grade credit rating

Uses:	**USDbn**
Cash consideration[a)]	3.3
Sources:	
New debt	2.5
Rights issue	0.8
Total	3.3

(a) Excludes pension liability of USD ~150 million

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Delivering on our growth strategy and vision

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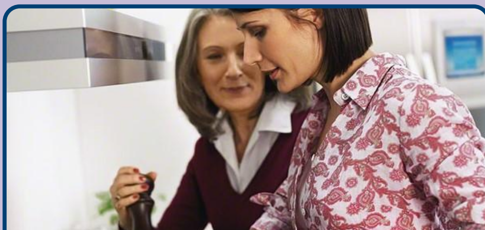

...our customers

...our employees

...our shareholders

GE Appliances

- ✓ Brands
- ✓ Innovative Products
- ✓ Distribution

- ✓ Enhanced production and R&D capabilities
- ✓ Engaged 12,000 employees
- ✓ Global presence

- ✓ EPS accretive in year 1
- ✓ Significant synergy potential
- ✓ Enhanced cash generation

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Q&A

Factors affecting forward-looking statements

This presentation 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.

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