

Electrolux Chooses Memphis for New North American Cooking Products Manufacturing Center

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\$190 million facility to begin production in 2012

On Wednesday, December 15, 2010, Electrolux, announced that it has selected Memphis, TN, as the location of its new North American Cooking Products manufacturing center.

The announcement of this new manufacturing center, which represents an investment of more than \$190 million, is subject to necessary government approvals including, but not limited to, payment-in-lieu-of-tax agreement.

Construction is scheduled to begin in early 2011, and the facility will employ more than 1,200 people when it is fully operational. The plant will build the company's Electrolux®, Electrolux ICON® and Frigidaire® built-in and specialty cooking products. These include: Drop-in/Slide-in Ranges, Wall Ovens, Specialty Freestanding Ranges, and Cooktops.

Electrolux plans to begin transitioning production to the newly built, 700,000 square foot facility in mid-2012 and the process is expected to be completed by the fourth quarter of 2013. The new facility will assume the manufacturing currently located in L'Assomption, Quebec, the wind-down of which Electrolux announced on December 14th. The company said the transition will occur in a way that is seamless for customers, and it will work to assure there will be no negative impact on product availability, delivery or service.

"We are very pleased to have found a great location for our new manufacturing center," said Kevin Scott, president, Electrolux Major Appliances – North America. "Important decisions like this are never easy, but this one became very clear-cut for Electrolux because of the extensive support we received from state, city and county elected officials and governing bodies."

"I'm very appreciative of Electrolux's investment in Tennessee and the company's confidence in the quality and productivity of Tennessee workers," said Governor Phil Bredesen of Tennessee. "Our efforts to support the company's existing Tennessee operations have led to a close working relationship and I couldn't be more pleased that our partnership has led to additional investment by one of the world's best known and most respected brands."

Choosing Memphis

Electrolux conducted a comprehensive study of potential locations for the new manufacturing center, and Memphis emerged the clear winner based on several key factors:

- **Lower cost structure** — Transferring the production to Memphis will allow Electrolux to reduce its current cost structure while continuing to produce industry-leading, innovative products that are competitively priced.
- **Memphis's resources and location advantages** — Electrolux was also attracted by the skilled labor pool in the Memphis area, and the area's central location and excellent logistics, which will improve access to the company's key markets, customers and suppliers.
- **Synergies with other plants** – The company will be able to better leverage its existing base of resources, especially those at its cooking operations in Springfield, TN.

“Locating this Electrolux cooking products plant in Memphis will strengthen the company’s position in North America,” Scott said. “The company is the largest manufacturer of cooking products sold in the United States and Canada, and we are widely recognized for innovations based on deep consumer insights. The new plant will bring innovative new generations of products and designs to meet consumer needs and desires.”

Second Electrolux Plant in Tennessee

In addition to the Memphis facility announced today, Electrolux also has a major Cooking Products plant in Springfield, TN, where the company produces free-standing gas and electric ranges. The Springfield plant is also the home of the Electrolux Cooking Technology Center for North America. The Springfield facility currently employs about 2,900 people.

“Over the years, the state of Tennessee has been very supportive of our growth and investment in the Springfield facility, and has worked with Electrolux to create jobs for the community,” said Mr. Scott. “In many ways, today’s event is a Tennessee homecoming as much as an announcement of a new plant in this great state.”

About the Facility

Electrolux plans to build a world-class facility, designed to utilize advanced manufacturing processes. Electrolux has a longstanding commitment to safety and sustainability, both in its manufacturing processes and in the products it makes. That commitment will guide planning, construction, and the eventual operations of the new facility, as well as the products that are produced and delivered to consumers from the new Memphis plant.

The facility will be located in Frank C. Pidgeon Industrial Park.

The plant will be designed and constructed for LEED (Leadership in Energy and Environmental Design) certification.