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Electrolux to divest commercial refrigeration operation to UTC/Carrier Corporation

Electrolux Group today announced the sale of its commercial refrigeration business to United Technologies Corporation (UTC), and its subsidiary Carrier Corporation, pursuant to an agreement between Electrolux and UTC.

Electrolux is the world's largest producer of powered appliances for kitchen, cleaning and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chain-saws, lawn mowers and garden tractors.

Electrolux Commercial Refrigeration, part of the Electrolux Group's business area for Professional Appliances, is a global supplier of refrigeration and freezing equipment for commercial customers within the supermarket, convenience store, food and beverage segments. In 1998, the division had approximately 2,300 employees and sales of approximately SEK 2.5 billion.

The divestiture follows Electrolux's strategy of concentrating its Professional Appliances business on professional kitchen equipment and professional laundry systems, both businesses where Electrolux has leading market positions globally.

Subject to government approvals in the U.S. and several other countries, the transaction is expected to close by the end of the year. The purchase sum is SEK 1.2 billion.

Carrier Corporation is the world's largest manufacturer of HVAC equipment (heating, ventilation, and air-conditioning), and is a subsidiary of United Technologies Corporation (UTC), provider of a broad range of high-technology products and support services to the building systems and aerospace industries. Carrier is headquartered in Farmington, Conn., U.S.A., and has 38,000 employees in 171 countries. Sales in 1998 were USD 6.9 billion.

The commercial refrigeration division will become an integrated part of Carrier Corporation's Refrigeration Operations, the world's largest refrigeration company.

"Electrolux Commercial Refrigeration is a good operation, but the synergies with our consumer business are limited," said Electrolux President and CEO Michael Treschow.

"It therefore makes sense to let this operation develop in a company that makes the combined businesses stronger, and where significant synergies can be applied to better serve customers by lowering production costs and developing innovative products," Treschow said.

“This acquisition will provide Carrier with a broader range of commercial refrigeration display case designs and technologies,” said Carrier President John Lord. “It will enable Carrier to serve our world-wide customers more efficiently, particularly those in Europe.”

In 1998, Electrolux Group sales were SEK 117 billion; the Group has 99,000 employees. Every year, customers in more than 160 countries buy more than 55 million Electrolux products for both consumer and professional use. The Group includes appliance brands such as AEG, Zanussi, Frigidaire, Eureka and Husqvarna.

Further information

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