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Divestment of Electrolux direct selling operations – the Lux group – finalized

The Lux Group, the direct selling division of Electrolux, is now independent, with effect from November 1, 1999. A final agreement has been reached to sell the division to a new company, formed by a group of investors and direct selling professionals.

Lux sells high-end household appliances, such as vacuum cleaners, water purifiers, washing machines, and air cleaners, under the brand name Lux. The company has activities in more than 35 countries. The purchaser, Lux International AG, will continue to sell products under the Lux brand name. Electrolux will be main supplier.

The divested Lux division has sales of around MSEK 1,450 in own subsidiaries, and some 7,000 employees worldwide. The divestment is not expected to have any significant effect on Electrolux Group results, as a provision for an expected one-time loss, was made in 1998. Excluded from the transaction are the entities in Latin America, Malaysia, and Brunei.

Lux International is formed by a group of investors with broad experience of direct selling. The owners are Reinhard von der Becke, formerly president of the direct selling group AMC International, Jonas af Jochnik, founder and co-owner of Oriflame International, and Philip Zepter, founder and owner of Zepter International. In addition, Lux management has been offered a part of the new company. The present president of the Lux Group, Kristian Borglin, will remain as president.

The Electrolux Group is the world's largest producer of powered appliances for indoor and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chain saws, lawn mowers, and garden tractors. In 1998, Group sales were SEK 117 billion and the Group had 99,000 employees. Every year, customers in more than 120 countries buy more than 55 million Electrolux products for both consumer and professional use. The Electrolux Group includes famous appliance brands such as AEG, Zanussi, Frigidaire, Eureka, and Husqvarna.

Further information

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