

Interim Report

January – March 2015

Stockholm, April 24, 2015

Highlights of the first quarter of 2015

Read more

- Net sales increased to SEK 29,087m (25,629). 3
- The sales increase is a result of strong positive currency translation. 3
- Sales increased by 13.5%, of which -0.5% was organic sales, 0.1% acquisitions and 13.9% currencies. 3
- Strong improvement in operating income for Major Appliances EMEA. 4
- As previously communicated, earnings for Major Appliances North America continued to be impacted by transition of the product range to new energy requirements and ramp up of a new production facility. 4
- Solid development for Professional Products. 6
- Operating income amounted to SEK 516m (731), corresponding to a margin of 1.8% (2.9). 3
- Income for the period was SEK 339m (431), and earnings per share was SEK 1.18 (1.50). 12

Financial overview¹⁾

SEKm	Q1 2014	Q1 2015	Change, %
Net sales	25,629	29,087	14
Organic growth, %	4.5	-0.5	
Acquired growth, %	–	0.1	
Changes in exchange rates, %	-3.3	13.9	
Operating income	731	516	-29
Margin, %	2.9	1.8	
Income after financial items	575	450	-22
Income for the period	431	339	-21
Earnings per share, SEK ²⁾	1.50	1.18	
Operating cash flow after investments ³⁾	-123	-383	n.m.
Restructuring costs included above ⁴⁾	-18	–	

¹⁾ As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been presented separately in the income statement and excluded in operating income by business area and selective key ratios. For comparability purposes, the figures for 2014 have been restated to include restructuring costs. For a specification, see page 16 and the press release; Restated figures for Electrolux for 2014, March 30, 2015.

²⁾ Basic, based on an average of 286.6 (286.2) million shares for the first quarter, excluding shares held by Electrolux.

³⁾ See page 7.

⁴⁾ Previously reported as items affecting comparability.

About Electrolux

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 50 million products to customers in more than 150 markets every year. The company makes thoughtfully designed, innovative solutions based on extensive consumer research, meeting the desires of today's consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, cookers, air-conditioners and small appliances such as vacuum cleaners, all sold under esteemed brands like Electrolux, AEG, Zanussi and Frigidaire. In 2014, Electrolux had sales of SEK 112 billion and about 60,000 employees. For more information, go to www.electroluxgroup.com

AB Electrolux (publ) 556009-4178



Market overview

Market overview

Market demand in Europe increased in the first quarter year-over-year. Western Europe increased by 4% while Eastern Europe declined by 10% due to a sharp decline in Russia. Excluding Russia, demand in Eastern Europe increased by 3%. In total, the European market improved by 1% or 4% excluding Russia.

Market demand for core appliances in North America increased by 1%.

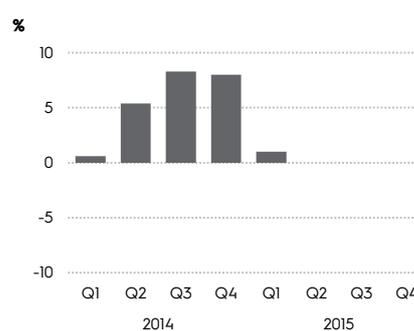
Market demand in Australia declined while demand in South-east Asia and China is estimated to have increased.

Demand for appliances in Brazil continued to deteriorate and most other Latin American markets also declined.

Industry shipments of core appliances in Europe*



Industry shipments of core appliances in the US*



*Units, year-over-year, %.

Sources: Europe: Electrolux estimates, North America: AHAM. For other markets there are no comprehensive market statistics.

The first quarter in summary

- Sales decreased organically by 0.5%. Acquisitions had a positive sales impact of 0.1% and currencies by 13.9%.
- Major Appliances EMEA and Latin America as well as Professional Products showed organic growth.
- Mix improvements across most business areas.
- Strong recovery in earnings for Major Appliances EMEA.
- Continued solid development for Professional Products.
- Transition costs for new energy requirements and ramp up of a new production facility impacted earnings significantly for Major Appliances North America.
- Price increases and mix improvements offset to a large extent the negative impact on results from currency movements.

SEKm	Q1 2014	Q1 2015	Change, %
Net sales	25,629	29,087	13.5
Change in net sales, %, whereof			
Organic growth	–	–	-0.5
Acquisitions	–	–	0.1
Changes in exchange rates	–	–	13.9
Operating income			
Major Appliances Europe, Middle East and Africa	142	371	161
Major Appliances North America	382	-57	n.m.
Major Appliances Latin America	211	177	-16
Major Appliances Asia/Pacific	11	52	373
Small Appliances	33	-8	n.m.
Professional Products	126	170	35
Other, common group costs, etc.	-174	-189	-9
Operating income	731	516	-29
Margin, %	2.9	1.8	
Restructuring costs included in operating income above ¹⁾	-18	–	

¹⁾ Previously excluded in operating income by business area and reported as items affecting comparability, see page 16.

Net sales for the Electrolux Group increased by 13.5% in the first quarter of 2015. This was a result of positive currency translation effects. Organic sales declined by -0.5%, acquisitions and currencies had a positive impact on sales of 0.1% and 13.9%, respectively. Major Appliances EMEA and Latin America as well as Professional Products reported organic sales growth while other business areas posted a decline.

Operating income amounted to SEK 516m (731), corresponding to a margin of 1.8% (2.9).

Operating income for Major Appliances EMEA improved significantly. Mix improvements and increased efficiency contributed to the continued strong recovery in earnings.

As has been previously communicated on April 8, operating income for Major Appliances North America was negative. Cost increases related to the transition of products to comply with new energy requirements and the ramp up of the new cooking plant in Memphis, Tennessee in the US impacted results.

Operating income for Major Appliances Latin America declined, but displayed a solid performance in a soft market. Earnings for Major Appliances Asia/Pacific improved.

Operating income for Small Appliances declined, primarily due to a continued negative currency trend and weak performance in the US and Asia/Pacific.

Professional Products continued to report sales and earnings improvements.

Effects of changes in exchange rates

Changes in exchange rates had a negative impact of SEK -277m on operating income year-over-year. The impact of transaction effects was SEK -422m. The negative impact refers mainly to the strengthening of the US dollar against several local currencies in Latin America and Europe. This was to a large extent mitigated by price increases and mix improvements. Translation effects in the quarter amounted to SEK 145m. The positive impact on translation in the quarter was mainly due to the strengthening of the US dollar.

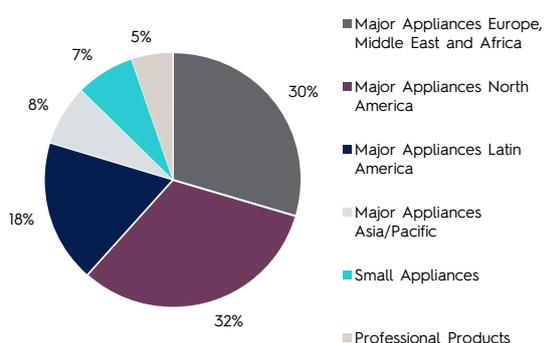
Financial net

Net financial items for the first quarter of 2015 improved to SEK -66m (-156). Net financial items have been impacted by lower average interest rates.

Income for the period

Income for the period amounted to SEK 339m (431), corresponding to SEK 1.18 (1.50) in earnings per share.

Share of sales by business area in Q1 2015



Events during the first quarter of 2015

February 5. Electrolux acquires leading professional dishwasher manufacturer in China

Electrolux has entered into an agreement to acquire Shanghai Veetsan Commercial Machinery Co. Ltd., one of the largest manufacturers of professional dishwashers in China, as part of the strategy to further accelerate growth in the professional segment. Veetsan has annual sales of approximately RMB 90 million (SEK 115 million). Closing is expected to take place during the first half of 2015 and is subject to authority approvals. For more information, read the press release at www.electrolux-group.com

March 2. Management change in Electrolux

Gunilla Nordström, Head of Major Appliances Asia/Pacific, has left the Group in order to pursue other interests. Kenneth L. Ng, previously CEO of Lixil Corporation in Greater China, is new head of the business area, see www.electroluxgroup.com

March 26. Annual General Meeting 2015 in Stockholm

Ronnie Leten was re-elected Chairman of the Electrolux Board. Lorna Davis, Petra Hedengran, Hasse Johansson, Ronnie Leten, Keith McLoughlin, Bert Nordberg, Fredrik Persson, Ulrika Saxon and Torben Ballegaard Sørensen were re-elected to the Board of Directors. At the statutory Board meeting following the AGM, Torben Ballegaard Sørensen was re-elected Deputy Chairman of the Board. The proposed dividend of SEK 6.50 per share was adopted. For more information, visit www.electroluxgroup.com/agm2015

March 30. Restated figures for 2014 following the elimination of the accounting practice of items affecting comparability

Over the years, Electrolux has implemented restructuring programs for the purpose of optimizing manufacturing footprint and reducing costs to improve competitiveness. Restructuring charges related to these programs have been presented separately as items affecting comparability in the income statement. These major restructuring programs are now in the final stage and, as previously communicated, Electrolux will as of 2015 discontinue this accounting practice. For more information, read the press release at www.electroluxgroup.com

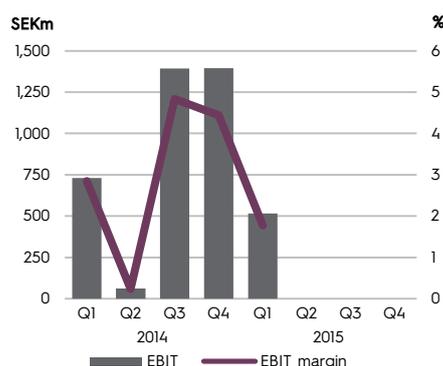
April 8. Update on Electrolux operations in North America

Electrolux has announced that results for the business area Major Appliances North America will be significantly lower than anticipated for the first quarter of 2015. Electrolux operations continue to be negatively impacted by the transition of the product ranges within refrigeration and freezers. This transition is a consequence of the new energy requirements imposed during the second half of 2014. Earnings are also affected by the ramp up of the cooking plant in Memphis, Tennessee, which has been slower than anticipated. For more information read the press release at www.electroluxgroup.com

April 8. Management change in Electrolux

Jack Truong, Head of Major Appliances North America and Executive Vice President of AB Electrolux, has decided to resign from Electrolux in order to pursue other interests. A process to recruit a successor has been initiated. Effective immediately, Electrolux President and CEO Keith McLoughlin will act as interim Head of Major Appliances North America. For more information, read the press release at www.electroluxgroup.com

Operating income and margin



Business areas

Major Appliances Europe, Middle East and Africa

The overall market demand for appliances in Europe increased by 1% year-over-year in the first quarter of 2015. Western Europe rose by 4% while Eastern Europe declined by 10%. Demand in Western Europe increased in most regions, with growth being particularly strong in the UK, Germany, Spain and the Benelux countries. The Nordics, Switzerland and Italy posted improvements while demand in France was unchanged. The overall market demand in Eastern Europe was impacted by a sharp decline in Russia while market demand in other regions improved.

Electrolux operations in EMEA recorded an organic sales growth of 3% in the first quarter. This growth was mainly a result of an improved product mix in Europe, which more than offset continued price pressure. Active product portfolio management and a strong focus on the most profitable product categories are continuing to improve the product mix. Sales of products under premium brands, built-in kitchen products and laundry products increased in the quarter and the Group gained market shares in these categories.

Operating income improved significantly as a result of product mix improvements and increased efficiency.

Operating income and margin



Industry shipments of core appliances in Europe, units, year-over-year, %

	Full year 2014	Q1 2014	Q1 2015
Western Europe	2	2	4
Eastern Europe (excluding Turkey)	0	4	-10
Total Europe	2	3	1
SEKm			
Net sales	34,438	7,865	8,608
Organic growth, %	-0.2	1.3	3.0
Operating income	232	142	371
Operating margin, %	0.7	1.8	4.3
Restructuring costs included in operating income ¹⁾	-1,212	-	-

¹⁾ Previously excluded in operating income by business area and reported as items affecting comparability.

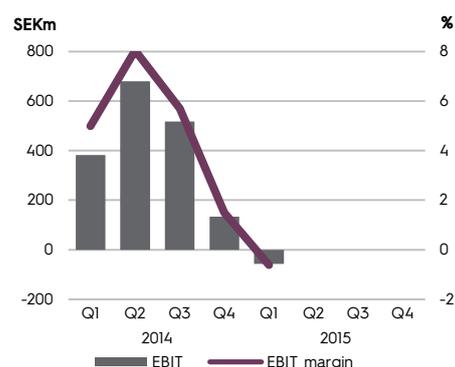
Major Appliances North America

In the first quarter, market demand for core appliances in North America increased by 1% year-over-year. Market demand for major appliances, including microwave ovens and home comfort products, such as room air-conditioners, rose by 1%.

Electrolux organic sales in North America declined during the first quarter. Organic sales of air-conditioning equipment declined significantly while organic sales of core appliances increased slightly.

Operating income for the first quarter was negative. Operations continued to be impacted by the transition of the refrigeration and freezers product ranges to comply with the new energy requirements imposed during the second half of 2014. Earnings were also affected by the ramp up of the cooking plant in Memphis, which has been slower than anticipated and generated inefficiencies.

Operating income and margin



Industry shipments of appliances in the US, units, year-over-year, %

	Full year 2014	Q1 2014	Q1 2015
Core appliances	6	1	1
Microwave ovens and home comfort products	4	-3	-6
Total Major Appliances	6	0	1
SEKm			
Net sales	34,141	7,664	9,313
Organic growth, %	2.2	0.4	-3.6
Operating income	1,714	382	-57
Operating margin, %	5.0	5.0	-0.6
Restructuring cost included in operating income ¹⁾	-	-	-

¹⁾ Previously excluded in operating income by business area and reported as items affecting comparability.

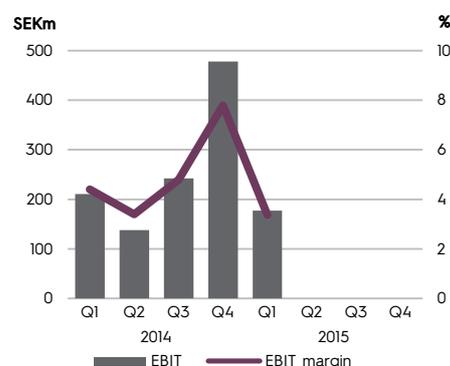
Major Appliances Latin America

In the first quarter of 2015, market demand declined year-over-year for core appliances in Brazil and several other Latin American markets.

Operations in Latin America posted an organic sales growth of 2% in the quarter driven by higher sales prices, which mitigated lower sales volumes. Continued weak market conditions impacted sales volumes in Brazil and in all other Latin American regions. Sales volumes declined in the main categories in Brazil although to a lesser extent than the market.

Operating income in Latin America was impacted by weak market conditions, continued currency headwinds and a high rate of inflation. However, this was largely mitigated by price increases and measures to adjust the cost base to lower demand. Lower sales volumes and a deterioration in the customer mix in Brazil impacted earnings negatively for the quarter.

Operating income and margin



SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	20,041	4,790	5,261
Organic growth, %	2.8	14.8	2.0
Operating income	1,069	211	177
Operating margin, %	5.3	4.4	3.4
Restructuring cost included in operating income ¹⁾	-10	-6	-

1) Previously excluded in operating income by business area and reported as items affecting comparability.

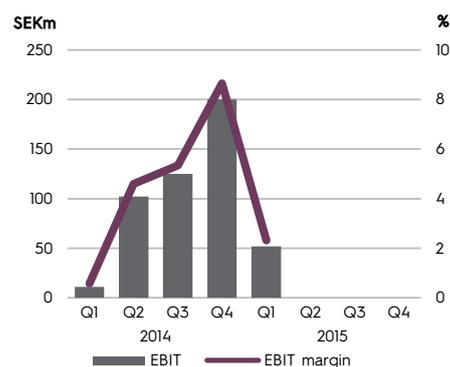
Major Appliances Asia/Pacific

In the first quarter of 2015, overall market demand for major appliances in Australia declined year-over-year due to significantly lower demand for air-conditioners. Demand for core appliances increased though. Demand in China and in several markets in Southeast Asia demonstrated some improvement and increased year-over-year.

Electrolux organic sales declined in the first quarter, mainly due to lower sales in China and a negative mix in Australia. Sales volumes increased in Australia and Southeast Asia while sales volumes in China declined. The acquisition in the fourth quarter of 2014 of the Australian-based barbecue business BeefEater had a positive impact of 1.0% on sales.

Operating income improved year-over-year. An enhanced cost structure and lower product and transportation costs had a favorable impact on results.

Operating income and margin



SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	8,803	1,928	2,241
Organic growth, %	0.4	8.4	-2.3
Acquisitions, %	0.6	-	1.0
Operating income	438	11	52
Operating margin, %	5.0	0.6	2.3
Restructuring cost included in operating income ¹⁾	-10	-10	-

1) Previously excluded in operating income by business area and reported as items affecting comparability.

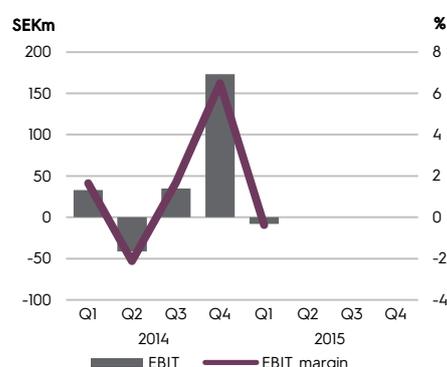
Small Appliances

In the first quarter of 2015, market demand for vacuum cleaners in Europe declined while demand in North America is estimated to have increased slightly year-over-year.

In the first quarter, Electrolux organic sales declined by 6% mainly due to lower sales volumes of vacuum cleaners in the US and small domestic appliances in Latin America. This was to some extent the result of active product portfolio management and focus on the most profitable product categories, which improved the product mix in the quarter.

Operating income for the first quarter declined year-over-year, primarily due to a continued negative currency trend. Lower sales volumes and price pressure also had an adverse impact on results. This was, in part, mitigated by product mix improvements.

Operating income and margin



SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	8,678	2,001	2,139
Organic growth, %	-4.2	2.0	-5.5
Operating income	200	33	-8
Operating margin, %	2.3	1.6	-0.4
Restructuring cost included in operating income ¹⁾	-	-	-

¹⁾ Previously excluded in operating income by business area and reported as items affecting comparability.

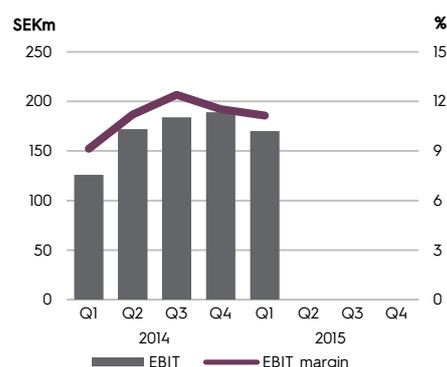
Professional Products

Overall market demand for professional food service and professional laundry equipment improved somewhat year-over-year in the first quarter. Market demand was unchanged in Western Europe while demand in the US and emerging markets displayed growth year-over-year.

In the first quarter, Electrolux reported organic growth of 3% and the Group continued to gain market shares. Sales rose in Western Europe, particularly in Electrolux core markets such as Southern Europe and the Nordic countries, as well as in emerging markets including Africa and the Middle East. Sales growth in emerging markets was primarily the result of the Group's strategic initiatives to grow in new markets and segments, in addition to new product launches.

Operating income and margin improved as a result of higher sales volumes and increased operational efficiency.

Operating income and margin



SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	6,041	1,380	1,525
Organic growth, %	5.6	13.3	3.0
Operating income	671	126	170
Operating margin, %	11.1	9.1	11.1
Restructuring cost included in operating income ¹⁾	-	-	-

¹⁾ Previously excluded in operating income by business area and reported as items affecting comparability.

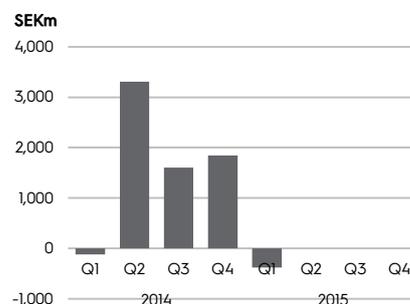
Cash flow

Operating cash flow after investments for the first quarter of 2015 amounted to SEK -383m (-123). The deterioration compared to the same period of the previous year refers to lower earnings and higher investments.

Cash flow for the first quarter is normally weak and reflects a seasonal pattern with build up of inventories.

Payments for the ongoing restructuring programs amounted to SEK 208m in the quarter.

Operating cash flow after investments



SEKm	Full year 2014	Q1 2014	Q1 2015
EBITDA after reversal of restructuring provisions ¹⁾	8,544	1,706	1,566
Change in operating assets and liabilities	1,777	-1,160	-1,154
Operating cash flow	10,321	546	412
Investments in fixed assets ²⁾	-3,690	-669	-795
Operating cash flow after investments	6,631	-123	-383
Restructuring payments	-1,026	-218	-208
Acquisitions and divestments of operations	-69	-1	-
Operating cash flow after structural changes	5,536	-342	-591
Financial items paid, net	-488	-105	-16
Taxes paid	-985	-226	-281
Free cash flow³⁾	4,063	-673	-888
Dividend	-1,861	-	-
Total cash flow, excluding change in loans and short-term investments	2,202	-673	-888

¹⁾ Operating income plus depreciation and amortization, restructuring provisions and other non-cash items.

²⁾ Investments excluding acquisitions and divestments of operations.

³⁾ Cash flow from operations and investments.

Financial position

The financial net debt increased by SEK 709m compared to December 31, 2014 as a result of the negative operating cash flow after investments for the first quarter of 2015. Net provision for post-employment benefits increased by SEK 911m. In total, net debt increased by SEK 1,620m for the first quarter.

Long-term borrowings as of March 31, 2015, including long-term borrowings with maturities within 12 months, amounted to SEK 12,178m with average maturity of 2.5 years, compared to SEK 12,123m and 2.8 years at the end of 2014. During 2015, long-term borrowings in the amount of SEK 2,597m will mature.

Liquid funds as of March 31, 2015, amounted to SEK 8,764m (6,492), excluding short-term back-up facilities.

Net assets and working capital

Average net assets for the period amounted to SEK 27,360m (25,400). Net assets as of March 31, 2015, amounted to SEK 28,620m (25,839), corresponding to 24.3% (24.8) of net sales.

Working capital as of March 31, 2015, amounted to SEK -7,407m (-4,623), corresponding to -6.3% (-4.5) of annualized net sales.

The return on net assets was 7.5% (11.5), and the return on equity was 8.5% (12.9).

Net debt

SEKm	Dec. 31, 2014	March 31, 2014	March 31, 2015
Borrowings	14,703	14,890	14,341
Liquid funds ¹⁾	9,835	6,492	8,764
Financial net debt	4,868	8,398	5,577
Net provisions for post-employment benefits	4,763	3,200	5,674
Net debt	9,631	11,598	11,251
Net debt/equity ratio	0.58	0.94	0.73
Equity	16,468	12,380	15,501
Equity per share, SEK	57.52	43.24	53.94
Return on equity, %	15.7	12.9	8.5
Equity/assets ratio, %	21.7	18.1	19.8

¹⁾ Electrolux has two unused committed back-up facilities. One credit facility of SEK 3,400m maturing in 2017 and one EUR 500m multi-currency revolving credit facility, approximately SEK 4,650m, maturing in 2018.

Other items

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 substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of March 31, 2015, the Group had a total of 3,111 (2,917) cases pending, representing approximately 3,170 (approximately 2,977) plaintiffs. During the first quarter of 2015, 332 new cases with 332 plaintiffs were filed and 291 pending cases with approximately 291 plaintiffs were resolved.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits.

In addition, the outcome of asbestos lawsuits is difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of lawsuits 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 2014 Annual Report on page 66. 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 2014, www.electrolux.com/annualreport2014

Press releases 2015

January 14	Electrolux boosts brand with new visual identity
January 20	Electrolux named Industry Leader in RobecoSAM sustainability rating
January 28	Consolidated results 2014 and CEO Keith McLoughlin's comments
February 5	Electrolux acquires leading professional dishwasher manufacturer in China
February 25	Electrolux Annual Report 2014 is published
March 2	Management change in AB Electrolux
March 16	Electrolux Sustainability Report highlights new focus on strategic themes
March 27	Bulletin from AB Electrolux Annual General Meeting 2015
March 30	Restated figures for 2014 following the elimination of items affecting comparability
April 8	Update on Electrolux operations in North America
April 8	Management change in AB Electrolux

Acquisition of GE Appliances

On September 8, 2014, Electrolux announced it has entered into an agreement to acquire the appliance business of General Electric ("GE Appliances"), one of the premier manufacturers of kitchen and laundry products in the United States, for a cash consideration of USD 3.3 billion. The acquisition enhances Electrolux position as a global player in home appliances, offering an unparalleled opportunity to invest in innovation and growth, which will benefit consumers, retailers, employees and shareholders.

Highlights

- Attractive strategic fit in North America.
- Significant synergies, primarily in sourcing and operations.
- Cash consideration of USD 3.3 billion.
- Transaction expected to be EPS accretive from year one.
- Financing is provided by a committed bridge facility and the transaction is not subject to any financing conditions. A rights issue corresponding to approximately 25% of the consideration is planned following completion of the acquisition.
- Completion of the acquisition is mainly subject to regulatory approvals.

Transaction rationale and synergies

The acquisition of GE Appliances is an important step for Electrolux towards realizing the Group's vision: to be the best appliance company in the world as measured by customers, employees and shareholders.

The scale and efficiencies from combining the businesses create a solid financial foundation from which to drive growth in the increasingly global and competitive appliance industry. The Electrolux Group will further strengthen its capacity to invest in innovation and growth. Electrolux has secured the right to the GE Appliances' brands through a long term license agreement with GE.

The transaction is expected to generate annual cost synergies of approximately USD 350 million. One-off implementation costs and capital expenditures are estimated to USD 300 million and USD 50-70 million, respectively. The largest parts of the synergies are expected in sourcing, operations, logistics and brands.

Description of GE Appliances

GE Appliances is headquartered in Louisville, Kentucky, and generates more than 90% of its revenue in North America. GE Appliances' product portfolio includes refrigerators, freezers, cooking products, dishwashers, washers, dryers, air-conditioners, water-filtration systems and water heaters. Its revenue split by major product category is approximately 35% cooking, 25% refrigeration, 20% laundry, 10% dishwashers and 10% home comfort (A/C). The company operates its own distribution and logistics network and has nine well-invested manufacturing facilities with 12,000 employees.

The acquisition includes a 48.4% shareholding in the Mexican appliance company Mabe. For nearly 30 years, GE Appliances has had a joint venture with Mabe in Mexico where Mabe develops and manufactures portions of GE Appliances' product offering.

In 2013, GE Appliances had sales of USD 5.7 billion (SEK 37 billion) and an EBITDA of USD 390 million (SEK 2.5 billion) including share of income from Mabe.

Transaction terms and timing

Electrolux will acquire GE Appliances for a cash consideration of USD 3.3 billion. The deal is structured primarily as an asset transaction.

Completion of the transaction is mainly subject to regulatory approvals. The acquisition is expected to close during 2015.

As is customary in the United States in certain types of transactions, Electrolux has agreed to pay a termination fee of USD 175 million in certain circumstances involving the failure to obtain regulatory approvals.

Proforma financials 2013, before synergies

USD billion ¹⁾	Electrolux	GE Appliances incl. 48.4% of Mabe	Combined
Sales	16.8	5.7	22.5
EBITDA	1.1	0.4	1.5
EBITDA margin, %	6.8	6.8	6.8

¹⁾ Figures in SEK have been converted to USD at an exchange rate of SEK/USD 6.515, the average exchange rate in 2013.

The above figures are for illustrative purposes and do not include any impact from synergies, implementation costs and amortization of surplus values resulting from the purchase-price allocation.

The effect of the transaction on Electrolux earnings per share is expected to be accretive from year one. The EBITDA multiple for the full year 2014 is expected to be in the range of 7.0-7.3x.

The transaction is expected to contribute positively to cash flow. The financial position of Electrolux, after completion of the planned rights issue, is expected to be consistent with a financial policy to retain an investment grade credit rating.

For more information on the rationale behind the acquisition, as well as financing, please read the full press release and listen to the investor and press telephone conference held on September 8, 2014, at <http://www.electrolux.com/ir>

Extract from the press release, Electrolux to acquire GE Appliances, of September 8, 2014. The expected synergies above of approximately USD 350m were updated on April 8, 2015 from the previously communicated USD 300m on September 8, 2014.

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 quarter of 2015 amounted to SEK 7,554m (6,706) of which SEK 6,114m (5,432) referred to sales to Group companies and SEK 1,440m (1,274) to external customers. Income after financial items was SEK 602m (580), including dividends from subsidiaries in the amount of SEK 449m (685). Income for the period amounted to SEK 594m (601).

Capital expenditure in tangible and intangible assets was SEK 29m (123). Liquid funds at the end of the period amounted to SEK 4,545m, as against SEK 4,601m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 11,355m, as against SEK 12,617m at the start of the year. Dividend payment to shareholders for 2014 amounted to SEK 1,868m.

The income statement and balance sheet for the Parent Company are presented on page 21.

Stockholm, April 24, 2015

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 2014.

This report has not been audited.

Consolidated income statement

SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	112,143	25,629	29,087
Cost of goods sold ¹⁾	-91,564	-20,877	-23,947
Gross operating income¹⁾	20,579	4,752	5,140
Selling expenses ¹⁾	-11,647	-2,693	-3,090
Administrative expenses ¹⁾	-5,454	-1,258	-1,447
Other operating income/expenses	103	-70	-87
Operating income	3,581	731	516
Margin, %	3.2	2.9	1.8
Financial items, net	-584	-156	-66
Income after financial items	2,997	575	450
Margin, %	2.7	2.2	1.5
Taxes	-755	-144	-111
Income for the period	2,242	431	339
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	-1,534	-243	-795
Income tax relating to items that will not be reclassified	808	-3	179
	-726	-246	-616
Items that may be reclassified subsequently to income for the period:			
Available for sale instruments	19	-5	10
Cash flow hedges	-30	-83	17
Exchange-rate differences on translation of foreign operations	2,428	-213	1,152
Income tax relating to items that may be reclassified	-10	27	-26
	2,407	-274	1,153
Other comprehensive income, net of tax	1,681	-520	537
Total comprehensive income for the period	3,923	-89	876
Income for the period attributable to:			
Equity holders of the Parent Company	2,241	431	339
Non-controlling interests	1	-	-
Total	2,242	431	339
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	3,922	-87	874
Non-controlling interests	1	-2	2
Total	3,923	-89	876
Earnings per share, SEK	7.83	1.50	1.18
Diluted, SEK	7.78	1.50	1.17
Number of shares after buy-backs, million	286.3	286.2	287.4
Average number of shares after buy-backs, million	286.3	286.2	286.6
Diluted, million	288.2	287.7	288.5

¹⁾ As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been presented on a separate line in the income statement. For comparability purposes, the figures for 2014 have been restated. While this change in accounting practice has no impact on the Group's operating income, the restated gross operating income for 2014 has been reduced. Costs previously recognized as items affecting comparability as a separate item in the amount of SEK 1,199m have been allocated to costs of goods sold in the amount of SEK1,076m to selling expenses in the amount of SEK 47m and administrative expenses in the amount of SEK 76m. For a specification of restructuring cost included in operating income for 2014, see page 16 and the press release; Restated figures for Electrolux for 2014, March 30, 2015.

Consolidated balance sheet

SEKm	Dec. 31, 2014	March 31, 2014	March 31, 2015
Assets			
Property, plant and equipment	18,934	17,106	19,628
Goodwill	5,350	4,777	5,604
Other intangible assets	3,878	3,822	3,839
Investments in associates	228	225	230
Deferred tax assets	5,351	4,115	5,837
Financial assets	312	277	323
Pension plan assets	399	451	450
Other non-current assets	1,110	832	1,260
Total non-current assets	35,562	31,605	37,171
Inventories	14,324	13,621	15,868
Trade receivables	20,663	18,038	19,236
Tax assets	784	787	916
Derivatives	375	167	365
Other current assets	4,774	4,646	5,130
Short-term investments	99	122	78
Cash and cash equivalents	9,107	5,949	8,109
Total current assets	50,126	43,330	49,702
Total assets	85,688	74,935	86,873
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-251	-2,929	898
Retained earnings	12,235	10,829	10,117
	16,434	12,350	15,465
Non-controlling interests	34	30	36
Total equity	16,468	12,380	15,501
Long-term borrowings	9,529	11,946	9,580
Deferred tax liabilities	687	692	694
Provisions for post-employment benefits	5,162	3,651	6,124
Other provisions	5,665	4,499	5,784
Total non-current liabilities	21,043	20,788	22,182
Accounts payable	25,705	21,293	25,860
Tax liabilities	1,042	1,268	1,115
Dividend payable	—	1,861	1,868
Short-term liabilities	13,531	11,499	12,915
Short-term borrowings	4,960	2,676	4,430
Derivatives	156	236	256
Other provisions	2,783	2,934	2,746
Total current liabilities	48,177	41,767	49,190
Total equity and liabilities	85,688	74,935	86,873
Contingent liabilities	3,739	1,463	3,094

Change in consolidated equity

SEKm	Dec. 31, 2014	March 31, 2014	March 31, 2015
Opening balance	14,308	14,308	16,468
Total comprehensive income for the period	3,923	-89	876
Share-based payment	99	23	25
Dividend	-1,862	-1,861	-1,868
Acquisition of operations	—	-1	—
Total transactions with equity holders	-1,763	-1,839	-1,843
Closing balance	16,468	12,380	15,501

Consolidated cash flow statement

SEKm	Full year 2014	Q1 2014	Q1 2015
Operations			
Operating income	3,581	731	516
Depreciation and amortization	3,671	868	960
Restructuring provisions	173	-200	-208
Other non-cash items	93	89	90
Financial items paid, net	-488	-105	-16
Taxes paid	-985	-226	-281
Cash flow from operations, excluding change in operating assets and liabilities	6,045	1,157	1,061
Change in operating assets and liabilities			
Change in inventories	-929	-1,457	-984
Change in trade receivables	195	1,383	1,805
Change in accounts payable	3,160	663	-557
Change in other operating assets, liabilities and provisions	-649	-1,749	-1,418
Cash flow from change in operating assets and liabilities	1,777	-1,160	-1,154
Cash flow from operations	7,822	-3	-93
Investments			
Acquisition of operations	-69	-1	-
Capital expenditure in property, plant and equipment	-3,006	-489	-656
Capital expenditure in product development	-355	-64	-69
Capital expenditure in software	-290	-76	-28
Other	-39	-40	-42
Cash flow from investments	-3,759	-670	-795
Cash flow from operations and investments	4,063	-673	-888
Financing			
Change in short-term investments	49	26	21
Change in short-term borrowings	367	8	796
New long-term borrowings	1,952	6	-
Amortization of long-term borrowings	-2,254	-5	-1,005
Dividend	-1,861	-	-
Cash flow from financing	-1,747	35	-188
Total cash flow	2,316	-638	-1,076
Cash and cash equivalents at beginning of period	6,607	6,607	9,107
Exchange-rate differences referring to cash and cash equivalents	184	-20	78
Cash and cash equivalents at end of period	9,107	5,949	8,109

Key ratios

SEKm unless otherwise stated	Full year 2014	Q1 2014	Q1 2015
Net sales	112,143	25,629	29,087
Organic growth, %	1.1	4.5	-0.5
Operating income	3,581	731	516
Margin, %	3.2	2.9	1.8
Income after financial items	2,997	575	450
Income for the period	2,242	431	339
Restructuring cost included in operating income	-1,199	-18	-
Capital expenditure, property, plant and equipment	-3,006	-489	-656
Operating cash flow after investments	6,631	-123	-383
Earnings per share, SEK ¹⁾	7.83	1.50	1.18
Equity per share, SEK	57.52	43.24	53.94
Capital-turnover rate, times/year	4.5	4.0	4.3
Return on net assets, %	14.2	11.5	7.5
Return on equity, %	15.7	12.9	8.5
Net debt	9,631	11,598	11,251
Net debt/equity ratio	0.58	0.94	0.73
Average number of shares excluding shares owned by Electrolux, million	286.3	286.2	286.6
Average number of employees	60,038	60,632	59,295

¹⁾ Basic, based on average number of shares, excluding shares owned by Electrolux.
For definitions, see page 24.

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, 2015	8,192,539	300,727,769	308,920,308	22,599,884	286,320,424
Shares allotted to senior managers under the Performance Share Program	-	-	-	-1,077,026	1,077,026
Number of shares as of March 31, 2015	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	

Exchange rates

SEK	Dec. 31, 2014	March 31, 2014	March 31, 2015
AUD, average	6.17	5.80	6.47
AUD, end of period	6.37	5.99	6.56
BRL, average	2.92	2.77	2.91
BRL, end of period	2.93	2.87	2.69
CAD, average	6.23	5.88	6.67
CAD, end of period	6.70	5.87	6.76
EUR, average	9.11	8.89	9.37
EUR, end of period	9.47	8.95	9.29
GBP, average	11.31	10.74	12.56
GBP, end of period	12.11	10.80	12.77
HUF, average	0.0295	0.0290	0.0305
HUF, end of period	0.0301	0.0291	0.0310
USD, average	6.89	6.48	8.26
USD, end of period	7.79	6.49	8.63

Net sales by business area

SEKm	Full year 2014	Q1 2014	Q1 2015
Major Appliances Europe, Middle East and Africa	34,438	7,865	8,608
Major Appliances North America	34,141	7,664	9,313
Major Appliances Latin America	20,041	4,790	5,261
Major Appliances Asia/Pacific	8,803	1,928	2,241
Small Appliances	8,678	2,001	2,139
Professional Products	6,041	1,380	1,525
Other	1	1	–
Total	112,143	25,629	29,087

Operating income by business area

SEKm	Full year 2014	Q1 2014	Q1 2015
Major Appliances Europe, Middle East and Africa ¹⁾	232	142	371
Margin, %	0.7	1.8	4.3
Major Appliances North America	1,714	382	-57
Margin, %	5.0	5.0	-0.6
Major Appliances Latin America ¹⁾	1,069	211	177
Margin, %	5.3	4.4	3.4
Major Appliances Asia/Pacific ¹⁾	438	11	52
Margin, %	5.0	0.6	2.3
Small Appliances	200	33	-8
Margin, %	2.3	1.6	-0.4
Professional Products	671	126	170
Margin, %	11.1	9.1	11.1
Common group costs, etc. ¹⁾	-743	-174	-189
Operating income	3,581	731	516
Margin, %	3.2	2.9	1.8

¹⁾ As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been excluded in operating income by business area. For comparability purposes, the figures for 2014 have been restated to include restructuring costs. For a specification, see below and the press release; Restated figures for Electrolux for 2014, March 30, 2015.

Restructuring cost included in operating income¹⁾

SEKm	Full year 2014	Q1 2014	Q1 2015
Major Appliances Europe, Middle East and Africa	-1,212	–	–
Major Appliances North America	–	–	–
Major Appliances Latin America	-10	-6	–
Major Appliances Asia/Pacific	-10	-10	–
Small Appliances	–	–	–
Professional Products	–	–	–
Other	33	-2	–
Total	-1,199	-18	–

¹⁾ Previously not included in operating income by business area and reported as Items affecting comparability in the income statement

Change in net sales by business area

Year-over-year, %	Q1 2015	Q1 2015 in local currencies
Major Appliances Europe, Middle East and Africa	9.4	3.0
Major Appliances North America	21.5	-3.6
Major Appliances Latin America	9.8	2.0
Major Appliances Asia/Pacific	16.2	-1.3
Small Appliances	6.9	-5.5
Professional Products	10.5	3.0
Total change	13.5	-0.4

Change in operating income by business area

Year-over-year, %	Q1 2015	Q1 2015 in local currencies
Major Appliances Europe, Middle East and Africa	161.3	135.1
Major Appliances North America	-114.9	-111.9
Major Appliances Latin America	-16.1	-24.2
Major Appliances Asia/Pacific	372.7	558.3
Small Appliances	-124.2	-118.0
Professional Products	34.9	20.1
Total change	-29.4	-40.5

Working capital and net assets

SEKm	Dec. 31, 2014	% of annualized net sales	March 31, 2014	% of annualized net sales	March 31, 2015	% of annualized net sales
Inventories	14,324	11.2	13,621	13.2	15,868	13.5
Trade receivables	20,663	16.2	18,038	17.5	19,236	16.4
Accounts payable	-25,705	-20.1	-21,293	-20.6	-25,860	-22.0
Provisions	-8,448		-7,433		-8,530	
Prepaid and accrued income and expenses	-8,495		-8,731		-9,598	
Taxes and other assets and liabilities	-716		1,175		1,477	
Working capital	-8,377	-6.6	-4,623	-4.5	-7,407	-6.3
Property, plant and equipment	18,934		17,106		19,628	
Goodwill	5,350		4,777		5,604	
Other non-current assets	5,528		5,156		5,652	
Deferred tax assets and liabilities	4,664		3,423		5,143	
Net assets	26,099	20.4	25,839	25.0	28,620	24.3
Average net assets	25,166	22.4	25,400	24.8	27,360	23.5

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	Dec. 31, 2014	March 31, 2014	March 31, 2015	Dec. 31, 2014	March 31, 2014	March 31, 2015	Dec. 31, 2014	March 31, 2014	March 31, 2015
Major Appliances Europe, Middle East and Africa	22,197	21,455	21,788	17,857	14,658	16,589	4,340	6,797	5,199
Major Appliances North America	16,450	13,849	18,388	10,234	8,900	11,558	6,216	4,949	6,830
Major Appliances Latin America	14,574	12,982	13,926	7,661	6,797	7,012	6,913	6,185	6,914
Major Appliances Asia/Pacific	5,614	4,816	5,945	3,519	2,930	3,583	2,095	1,886	2,362
Small Appliances	5,144	4,461	5,207	3,680	3,004	3,896	1,464	1,457	1,311
Professional Products	2,931	2,743	3,050	2,012	1,780	2,027	919	963	1,023
Other ¹⁾	8,544	7,686	9,355	4,392	4,084	4,374	4,152	3,602	4,981
Total operating assets and liabilities	75,454	67,992	77,659	49,355	42,153	49,039	26,099	25,839	28,620
Liquid funds	9,835	6,492	8,764	—	—	—	—	—	—
Interest-bearing receivables	—	—	—	—	—	—	—	—	—
Interest-bearing liabilities	—	—	—	14,703	14,890	14,341	—	—	—
Pension assets and liabilities	399	451	450	5,162	3,651	6,124	—	—	—
Dividend payable	—	—	—	—	1,861	1,868	—	—	—
Equity	—	—	—	16,468	12,380	15,501	—	—	—
Total	85,688	74,935	86,873	85,688	74,935	86,873	—	—	—

¹⁾ Includes common functions, tax items. As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been excluded in net assets by business area and reported under Other. Going forward, any potential restructuring charges will be reported in net assets by business area. For comparability purposes the figures for 2014 have been restated.

Net sales and income per quarter

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015
Net sales	25,629	26,330	28,784	31,400	112,143	29,087				
Operating income	731	63	1,392	1,395	3,581	516				
Margin, %	2.9	0.2	4.8	4.4	3.2	1.8				
Income after financial items	575	-120	1,250	1,292	2,997	450				
Income for the period	431	-92	933	970	2,242	339				
Earnings per share, SEK ¹⁾	1.50	-0.32	3.26	3.39	7.83	1.18				
Restructuring cost included in operating income	-18	-1,104	—	-77	-1,199	—				
Number of shares after buy-backs, million	286.2	286.3	286.3	286.3	286.3	287.4				
Average number of shares after buy-backs, million	286.2	286.3	286.3	286.3	286.3	286.6				

¹⁾ Basic, based on average number of shares, excluding shares owned by Electrolux.

Net sales and operating income by business area per quarter

SEKm	Q1 2014	Q2 2014	Q3 2013	Q4 2014	Full year 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015
Major Appliances Europe, Middle East and Africa										
Net sales	7,865	8,107	8,741	9,725	34,438	8,608				
Operating income ¹⁾	142	-901	484	507	232	371				
Margin, %	1.8	-11.1	5.5	5.2	0.7	4.3				
Major Appliances North America										
Net sales	7,664	8,464	9,089	8,924	34,141	9,313				
Operating income	382	680	518	134	1,714	-57				
Margin, %	5.0	8.0	5.7	1.5	5.0	-0.6				
Major Appliances Latin America										
Net sales	4,790	4,064	5,053	6,134	20,041	5,261				
Operating income ¹⁾	211	138	242	478	1,069	177				
Margin, %	4.4	3.4	4.8	7.8	5.3	3.4				
Major Appliances Asia/Pacific										
Net sales	1,928	2,221	2,342	2,312	8,803	2,241				
Operating income ¹⁾	11	102	125	200	438	52				
Margin, %	0.6	4.6	5.3	8.7	5.0	2.3				
Small Appliances										
Net sales	2,001	1,938	2,075	2,664	8,678	2,139				
Operating income	33	-41	35	173	200	-8				
Margin, %	1.6	-2.1	1.7	6.5	2.3	-0.4				
Professional Products										
Net sales	1,380	1,536	1,484	1,641	6,041	1,525				
Operating income	126	172	184	189	671	170				
Margin, %	9.1	11.2	12.4	11.5	11.1	11.1				
Other										
Net sales	1	-	-	-	1	-				
Operating income, common group costs, etc. ¹⁾	-174	-87	-196	-286	-743	-189				
Total Group										
Net sales	25,629	26,330	28,784	31,400	112,143	29,087				
Operating income	731	63	1,392	1,395	3,581	516				
Margin, %	2.9	0.2	4.8	4.4	3.2	1.8				

¹⁾ As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been excluded in operating income by business area. For comparability purposes, the figures for 2014 have been restated to include restructuring costs. For a specification, see below and the press release; Restated figures for Electrolux for 2014, March 30, 2015.

Restructuring costs included in operating income by business area above¹⁾

Major Appliances Europe, Middle East and Africa	-	-1,100	-	-112	-1,212
Major Appliances North America	-	-	-	-	-
Major Appliances Latin America	-6	-4	-	-	-10
Major Appliances Asia/Pacific	-10	-	-	-	-10
Small Appliances	-	-	-	-	-
Professional Products	-	-	-	-	-
Common Group cost	-2	-	-	35	33
Total Group	-18	-1,104	-	-77	-1,199

¹⁾ Previously not included in operating income by business area and reported as Items affecting comparability in the income statement

Fair value and carrying amount on financial assets and liabilities

SEKm	Full year 2014		Q1 2014		Q1 2015	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	2,971	2,971	1,959	1,959	2,809	2,809
Available for sale	177	177	156	156	187	187
Loans and receivables	22,124	22,124	19,556	19,556	20,684	20,684
Cash	5,289	5,289	2,859	2,859	4,431	4,431
Total financial assets	30,561	30,561	24,531	24,531	28,111	28,111
Financial liabilities at fair value through profit and loss	157	157	236	236	256	256
Financial liabilities measured at amortized cost	39,415	39,247	36,076	35,916	39,580	39,387
Total financial liabilities	39,572	39,404	36,312	36,152	39,836	39,643

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables

are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate that is available to the Group for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data.

Fair value measurement hierarchy

Financial assets, SEKm	Full year 2014			Q1 2014			Q1 2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets	312	–	312	277	–	277	323	–	323
Financial assets at fair value through profit and loss	135	–	135	121	–	121	136	–	136
Available for sale	177	–	177	156	–	156	187	–	187
Derivatives	–	375	375	–	167	167	–	365	365
Derivatives for which hedge accounting is not applied, i.e., held for trading	–	194	194	–	53	53	–	144	144
Derivatives for which hedge accounting is applied	–	181	181	–	114	114	–	221	221
Short-term investments and cash equivalents	2,456	–	2,456	1,671	–	1,671	2,308	–	2,308
Financial assets at fair value through profit and loss	2,456	–	2,456	1,671	–	1,671	2,308	–	2,308
Total financial assets	2,768	375	3,143	1,948	167	2,115	2,631	365	2,996
Financial liabilities									
Derivatives	–	157	157	–	236	236	–	256	256
Derivatives for which hedge accounting is not applied, i.e., held for trading	–	89	89	–	68	68	–	179	179
Derivatives for which hedge accounting is applied	–	68	68	–	168	168	–	77	77
Total financial liabilities	–	157	157	–	236	236	–	256	256

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparts, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Parent Company income statement

SEKm	Full year 2014	Q1 2014	Q1 2015
Net sales	29,508	6,706	7,554
Cost of goods sold	-25,477	-5,786	-6,332
Gross operating income	4,031	920	1,222
Selling expenses	-3,430	-746	-934
Administrative expenses	-1,208	-302	-373
Other operating income	–	2	–
Other operating expenses	-645	–	–
Operating income	-1,252	-126	-85
Financial income	3,105	803	582
Financial expenses	-455	-97	105
Financial items, net	2,650	706	687
Income after financial items	1,398	580	602
Appropriations	355	15	46
Income before taxes	1,753	595	648
Taxes	77	6	-54
Income for the period	1,830	601	594

Parent Company balance sheet

SEKm	Dec. 31, 2014	March 31, 2014	March 31, 2015
Assets			
Non-current assets	35,074	33,042	35,210
Current assets	21,021	20,659	21,361
Total assets	56,095	53,701	56,571
Equity and liabilities			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	12,617	11,289	11,355
Total equity	17,179	15,851	15,917
Untaxed reserves	396	544	389
Provisions	1,624	1,724	1,570
Non-current liabilities	9,071	11,479	9,135
Current liabilities	27,825	24,103	29,560
Total equity and liabilities	56,095	53,701	56,571
Pledged assets	–	–	–
Contingent liabilities	3,743	1,733	3,239

Operations by business area yearly

SEKm ^{1) 2)}	2010	2011	2012	2013	2014
Major Appliances Europe, Middle East and Africa					
Net sales	36,596	34,029	34,278	33,436	34,438
Operating income	1,639	675	178	-481	232
Margin, %	4.5	2.0	0.5	-1.4	0.7
Major Appliances North America					
Net sales	30,969	27,665	30,684	31,864	34,141
Operating income	1,036	146	1,347	2,136	1,714
Margin, %	3.3	0.5	4.4	6.7	5.0
Major Appliances Latin America					
Net sales	16,260	17,810	22,044	20,695	20,041
Operating income	951	820	1,590	979	1,069
Margin, %	5.8	4.6	7.2	4.7	5.3
Major Appliances Asia/Pacific					
Net sales	7,679	7,852	8,405	8,653	8,803
Operating income	793	736	746	116	438
Margin, %	10.3	9.4	8.9	1.3	5.0
Small Appliances					
Net sales	8,422	8,359	9,011	8,952	8,678
Operating income	802	543	461	309	200
Margin, %	9.5	6.5	5.1	3.5	2.3
Professional Products					
Net sales	6,389	5,882	5,571	5,550	6,041
Operating income	743	841	588	510	671
Margin, %	11.6	14.3	10.6	9.2	11.1
Other					
Net sales	11	1	1	1	1
Operating income, common Group costs, etc.	-534	-744	-910	-1,989	-743
Total Group					
Net sales	106,326	101,598	109,994	109,151	112,143
Operating income	5,430	3,017	4,000	1,580	3,581
Margin, %	5.1	3.0	3.6	1.4	3.2

¹⁾ As of 2015, the accounting practice of items affecting comparability for restructuring charges is no longer used. Restructuring charges have previously been excluded in operating income by business area. For comparability purposes, the figures for 2014 have been restated to include restructuring costs, see the press release; Restated figures for Electrolux for 2014, March 30, 2015. For information purposes, yearly operating income by business area 2010-2013 are presented including restructuring costs in the table above. For a specification, see below.

²⁾ Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013. Reported figures for 2012 have been restated to enable comparison. Reported figures for previous years have not been restated.

Restructuring costs included in operating income by business area above¹⁾

Major Appliances Europe, Middle East and Africa	-658	-34	-927	-828	-1,212
Major Appliances North America	-406	-104	-105	-	-
Major Appliances Latin America	-	-	-	-	-10
Major Appliances Asia/Pacific	-	-	-	-351	-10
Small Appliances	-	-	-	-82	-
Professional Products	-	-	-	-	-
Common Group cost	-	-	-	-1,214	33
Total Group	-1,064	-138	-1,032	-2,475	-1,199

¹⁾ Previously not included in operating income by business area and reported as Items affecting comparability in the income statement

Five-year review

SEKm unless otherwise stated	2010	2011	2012	2013	2014
Net sales	106,326	101,598	109,994	109,151	112,143
Organic growth, %	1.5	0.2	5.5	4.5	1.1
Operating income	5,430	3,017	4,000	1,580	3,581
Margin, %	5.1	3.0	3.6	1.4	3.2
Income after financial items	5,306	2,780	3,154	904	2,997
Income for the period	3,997	2,064	2,365	672	2,242
Restructuring cost included in operating income	-1,064	-138	-1,032	-2,475	-1,199
Capital expenditure, property, plant and equipment	3,221	3,163	4,090	-3,535	-3,006
Operating cash flow after investments	5,357	3,407	5,273	2,412	6,631
Earnings per share, SEK	14.04	7.25	8.26	2.35	7.83
Equity per share, SEK	72.40	72.51	54.96	49.99	57.52
Dividend per share, SEK	6.50	6.50	6.50	6.50	6.50
Capital-turnover rate, times/year	5.4	4.6	4.1	4.0	4.5
Return on net assets, %	27.8	13.7	14.8	5.8	14.2
Return on equity, %	20.6	10.4	14.4	4.4	15.7
Net debt	-709	6,367	10,164	10,653	9,631
Net debt/equity ratio	-0.03	0.31	0.65	0.74	0.58
Average number of shares excluding shares owned by Electrolux, million	284.6	284.7	285.9	286.2	286.3
Average number of employees	51,544	52,916	59,478	60,754	60,038

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.

Financial goals

- Operating margin of >6%
- Capital-turnover rate >4 times
- Return on net assets >20%
- 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, pension plan assets 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 debt

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 after investments

Cash flow from operations and investments excluding financial items paid, taxes paid, restructuring payments 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.

Shareholders' information

President and CEO Keith McLoughlin's comments on the first-quarter results 2015

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, April 24. The conference will be chaired by Keith McLoughlin, President and CEO of Electrolux. Mr. McLoughlin will be accompanied by Tomas Eliasson, CFO.

Details for participation by telephone are as follows:

Participants in Sweden should call +46 8 505 564 74

Participants in UK/Europe should call +44 203 364 5374

Participants in US should call +1 855 753 2230

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

www.electroluxgroup.com/q1-2015

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Calendar 2015

Interim report January - March	April 24
Interim report January - June	July 17
Interim report January - September	October 23

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