

Interim Report January – September 2014

Stockholm, October 20, 2014

Highlights of the third quarter of 2014

• Net sales amounted to SEK 28,784m (27,258).	2
• Sales increased by 5.6%, whereof currencies had a positive impact of 4.0%.	2
• Strong improvement in operating income for Major Appliances in Europe.	4
• Good performance in Latin America and Asia/Pacific in weak markets.	5
• Operating income amounted to SEK 1,392m (1,075), an improvement of 29%.	2
• Strong cash flow of SEK 1.6bn (1.0).	7
• Income for the period was SEK 933m (656), and earnings per share SEK 3.26 (2.29).	12

Read more

Financial overview

SEKm ¹⁾	Nine months 2013	Nine months 2014	Change, %	Q3 2013	Q3 2014	Change, %
Net sales	80,260	80,743	1	27,258	28,784	6
Organic growth, %	4.9	0.7		4.9	1.6	
Operating income	2,832	3,308	17	1,075	1,392	29
Margin, %	3.5	4.1		3.9	4.8	
Income after financial items	2,308	2,827	22	884	1,250	41
Income for the period	1,720	2,193	28	656	933	42
Earnings per share, SEK ²⁾	6.01	7.66		2.29	3.26	
Operating cash flow after investments ³⁾	928	4,787	416	1,036	1,603	55

¹⁾ Figures are excluding items affecting comparability. There were no items affecting comparability in the third quarters of 2014 and 2013. Items affecting comparability amounted to SEK -1,122m (-82) for the first nine months of 2014, see page 12. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive and other restructuring measures to reduce costs.

²⁾ Basic, based on an average of 286.3 (286.2) million shares for the third quarter, excluding shares held by Electrolux.

³⁾ See page 7.

For earnings per share after dilution, see page 12.

For definitions, see page 24.

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 2013, Electrolux had sales of SEK 109 billion and about 61,000 employees. For more information, go to <http://group.electrolux.com/>



Market overview

Market overview

Demand growth in Europe slowed down somewhat in the third quarter, Western Europe increased by 1% while Eastern Europe declined by 4%. In total, the European market was unchanged.

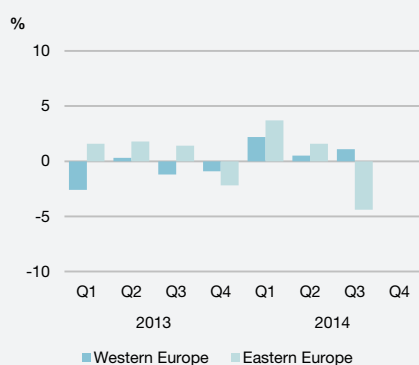
In the third quarter, market demand for core appliances in North America increased by approximately 8% year-over-year.

Market demand in Australia is estimated to have declined.

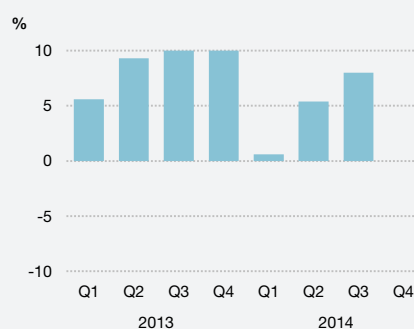
Demand in the growth markets Southeast Asia and China also declined.

Demand for appliances in Brazil stabilized, following the sharp decline in the second quarter. Most other Latin American markets declined.

Industry shipments of core appliances in Europe*



Industry shipments of core appliances in the US*



*Units, year-over-year, %.

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

The third quarter in summary*

- Sales increased by 5.6%, primarily due to higher sales in North America and Latin America. Currencies had a positive impact of 4.0%.
- Mix improvements across most business areas.
- Strong earnings recovery in EMEA.
- Good performance for Latin America, Asia/Pacific and Professional Products.
- Sales increased in North America but transition costs for new energy requirements and lower sales of air-conditioners impacted earnings.
- Price increases and mix improvements offset the negative impact from currency movements.

SEKm	Nine months 2013	Nine months 2014	Change, %	Q3 2013	Q3 2014	Change, %
Net sales	80,260	80,743	0.6	27,258	28,784	5.6
Change in net sales, %, whereof						
Organic growth	—	—	0.7	—	—	1.6
Changes in exchange rates	—	—	-0.1	—	—	4.0
Operating income						
Major Appliances Europe, Middle East and Africa	120	825	588	111	484	336
Major Appliances North America	1,683	1,580	-6	563	518	-8
Major Appliances Latin America	755	601	-20	243	242	0
Major Appliances Asia/Pacific	371	248	-33	117	125	7
Small Appliances	164	27	-84	97	35	-64
Professional Products	338	482	43	167	184	10
Other, common group costs, etc.	-599	-455	n.a	-223	-196	n.a
Operating income, excluding items affecting comparability	2,832	3,308	17	1,075	1,392	29
Margin, %	3.5	4.1		3.9	4.8	
Items affecting comparability	-82	-1,122		—	—	
Operating income	2,750	2,186	-21	1,075	1,392	29
Margin, %	3.4	2.7		3.9	4.8	

* All comments are excluding items affecting comparability. For items affecting comparability, see page 12.

Net sales for the Electrolux Group increased by 5.6% in the third quarter of 2014, whereof changes in exchange rates had a positive impact of 4.0%. The increase was mainly attributable to sales growth in Latin America, North America and for Professional Products.

Operating income increased to SEK 1,392m (1,075), corresponding to a margin of 4.8% (3.9).

In Europe, operating income improved significantly. Lower operational costs, increased efficiency and mix improvements were the main contributors.

Results in North America were negatively impacted by costs related to the transition of products to comply with new energy requirements as well as lower sales of air-conditioners.

Latin America and Asia/Pacific showed good performance in weak markets as a result of cost cutting and price increases.

Operating income for Small Appliances declined, primarily due to lower sales volumes in North America and Latin America.

Professional Products reported continued improvements in sales and earnings.

Effects of changes in exchange rates

Exchange-rate movements had a negative impact of approximately SEK -120m on operating income year-over-year in the quarter. The negative currency impact in the third quarter is at a significantly lower level than in previous quarters. The negative impact in the quarter year-over-year refers mainly to a stronger US dollar against several local currencies in Latin America. Price increases and mix improvements mitigated the negative impact from currencies.

Financial net

Net financial items for the third quarter of 2014 amounted to SEK -142m (-191).

Income for the period

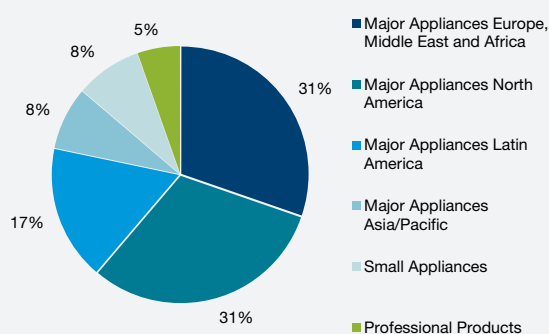
Income for the period amounted to SEK 933m (656), corresponding to SEK 3.26 (2.29) in earnings per share.

First nine months of 2014

Net sales for the Electrolux Group in the first nine months of 2014 amounted to SEK 80,743m (80,260). Net sales increased by 0.6%. Organic growth was 0.7%, while changes in exchange rates had a negative impact of -0.1%.

Operating income improved to SEK 3,308m (2,832), corresponding to a margin of 4.1% (3.5). Income for the period was SEK 2,193m (1,720), corresponding to SEK 7.66 (6.01) in earnings per share. For earnings per share including items affecting comparability, see page 12.

Share of sales by business area in Q3 2014



Events during the third quarter of 2014

August 27. Electrolux joins AllSeen Alliance to enable seamlessly connected appliances

Electrolux has joined the AllSeen Alliance, the broadest Internet of Everything open-source project, as a Premier Member. Membership in this collaborative initiative is a key enabler for Electrolux to help realize the promise of this technology and use connectivity to enhance the experience and end result of everyday tasks. For more information, visit <http://group.electrolux.com>

September 8. Electrolux to acquire GE Appliances

Electrolux has entered into an agreement to acquire the appliances 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. For more information, see page 9.

September 11. Electrolux leads Household Durables in Dow Jones Sustainability Indices

Electrolux has been included in the prestigious Dow Jones Sustainability World Index (DJSI World) for 2014, and retained its position as Industry Leader in the Household Durables category for the eighth consecutive year. For more information, visit <http://group.electrolux.com>

September 12. Electrolux Ergorapido turns 10 and 10 million sold

In August, Electrolux produced the 10 millionth Ergorapido. Since its launch in 2004, this vacuum cleaner has been sold in more than 70 countries across all continents from Argentina to Yemen, making the Electrolux Ergorapido the most global battery stick cleaner available. For more information, visit <http://group.electrolux.com>

September 25. Nomination Committee appointed for Electrolux AGM 2015

The members of the Nomination Committee have been appointed based on the ownership structure as of August 29, 2014, read more on page 10.

Events after the third quarter of 2014

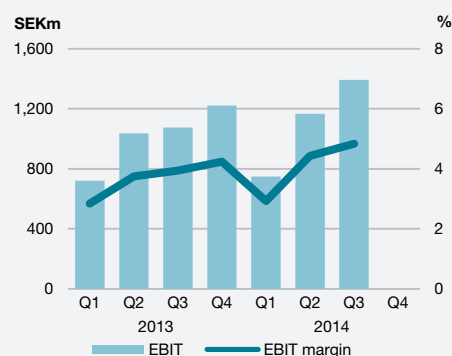
October 7. Electrolux acquired BeefEater in Australia

Electrolux acquired the Australian-based international barbecue business BeefEater, as part of the strategy to grow in this market segment, see page 5.

October 20. Restructuring measures in Europe

The global manufacturing footprint program initiated in 2004 for increased competitiveness is now in its final stages. Consultations are initiated with employee representatives regarding the production in Mariestad, Sweden and Schwanden, Switzerland, see page 8.

Operating income and margin*



* Excluding items affecting comparability.

Business areas

Major Appliances Europe, Middle East and Africa

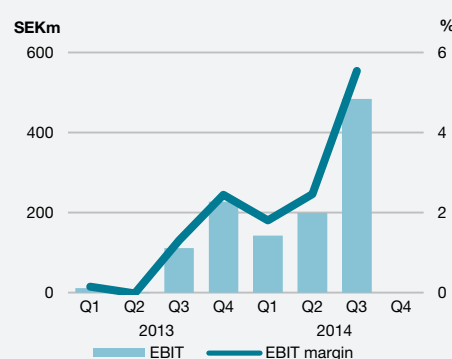
In the third quarter of 2014, demand growth for core appliances in Europe slowed down. The overall market was unchanged year-over-year. Western Europe showed a slight recovery of 1%, while Eastern Europe declined by 4%. Demand increased in the UK, the Iberian countries, Switzerland and the Benelux countries, while the Nordics and Italy declined. The decline in Eastern Europe was primarily related to Russia and the Ukraine.

Organic sales declined in the third quarter year-over-year. This was primarily a result of lower sales volumes in Europe but also in the Middle East and Africa. Active product portfolio management but also weak markets, particularly in Eastern Europe, were the main factors for the decline in sales volumes. The strong focus by Electrolux on its most profitable product categories improved the product mix during the quarter.

Operating income improved significantly as a result of the ongoing structural actions to reduce overhead costs and enhance efficiency, as well as mix improvements. Higher sales of built-in kitchen products improved the mix during the quarter, while price pressure had a negative impact on operating income.

Industry shipments of core appliances in Europe, units, year-over-year, %	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Western Europe	-1	-1	2	-1	1
Eastern Europe (excluding Turkey)	0	2	0	1	-4
Total Europe	-1	-1	1	-1	0
SEKm					
Net sales	33,436	24,155	24,713	8,520	8,741
Organic growth, %	-0.2	-0.6	-0.8	-0.3	-1.3
Operating income	347	120	825	111	484
Operating margin, %	1.0	0.5	3.3	1.3	5.5

Operating income and margin



Major Appliances North America

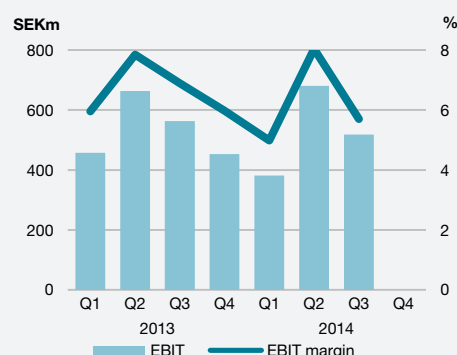
In the third quarter, market demand for core appliances in North America increased by 8% year-over-year. Market demand for major appliances, including microwave ovens and home comfort products, such as room air-conditioners, increased by 7% during the quarter.

Electrolux organic sales growth in North America was 5% during the third quarter. The improved product mix offset lower sales volumes and price pressure. Sales volumes continued to increase within several categories of core appliances, while sales volumes of room-air conditioners and freezers declined significantly. Sales volumes of freezers and refrigerators were impacted by the comprehensive transition of products as a result of new energy requirements in the US.

Operating income declined. Results in the quarter were impacted by costs related to the transition of products to comply with the new energy requirements as well as lower sales of air-conditioners. A continued strong focus on premium products improved the product mix, while marketing costs increased.

Industry shipments of appliances in the US, units, year-over-year, %	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Core appliances	9	9	5	12	8
Microwave ovens and home comfort products	-6	-7	4	-6	5
Total Major Appliances	5	4	5	7	7
SEKm					
Net sales	31,864	24,291	25,217	8,165	9,089
Organic growth, %	7.6	7.6	2.0	8.0	5.0
Operating income	2,136	1,683	1,580	563	518
Operating margin, %	6.7	6.9	6.3	6.9	5.7

Operating income and margin



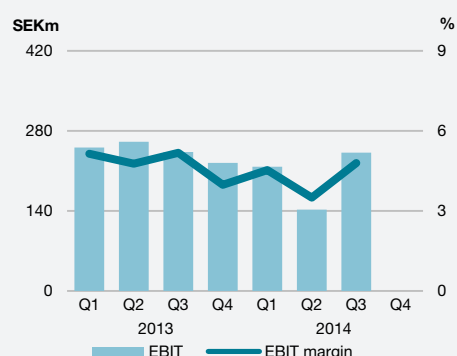
Major Appliances Latin America

In the third quarter of 2014, market demand for core appliances in Brazil remained soft, but improved year-over-year, after the sharp downturn in the second quarter. Demand in several other Latin American markets continued to weaken.

Latin America showed an organic sales growth of 8% in the quarter, year-over-year, mainly due to higher prices and increased sales volumes in Brazil. Sales volumes in several other Latin American markets declined due to continued weak market conditions.

Operating income was in line with the year-earlier-period. Measures have been taken to adjust the cost base to lower demand. Price increases largely offset continued currency headwinds and a high rate of inflation.

Operating income and margin



SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	20,695	15,056	13,907	4,699	5,053
Organic growth, %	6.1	8.6	0.5	1.6	7.8
Operating income	979	755	601	243	242
Operating margin, %	4.7	5.0	4.3	5.2	4.8

Major Appliances Asia/Pacific

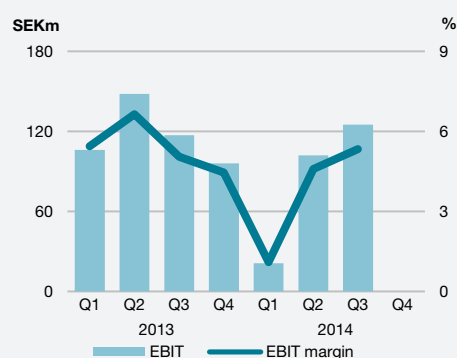
In the third quarter of 2014, market demand for major appliances declined in the major markets in the region. Demand declined in Australia and China and in several markets in Southeast Asia. Market demand grew in New Zealand.

Electrolux organic sales declined in the third quarter year-over-year, mainly due to lower sales volumes following weaker market demand. Sales volumes declined mainly in Australia but also to some extent in China, while volumes continued to show a positive trend in Southeast Asia. Price increases mitigated the decline in volumes to some extent.

Operating income increased as a result of an improved cost structure, higher prices and a better product mix. The country mix had a negative impact on operating income.

In late August, Electrolux acquired the Australian-based international barbecue business BeefEater, as part of the strategy to grow in this market segment. BeefEater Barbecues has annual sales of AUD 17 million, approximately SEK 110 million. The operation is consolidated in the Electrolux Group as of September 30, 2014, based on a preliminary purchase price allocation. Sales and income are included as of October.

Operating income and margin



SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	8,653	6,496	6,491	2,321	2,342
Organic growth, %	10.8	13.1	1.9	20.2	-4.4
Operating income	467	371	248	117	125
Operating margin, %	5.4	5.7	3.8	5.0	5.3

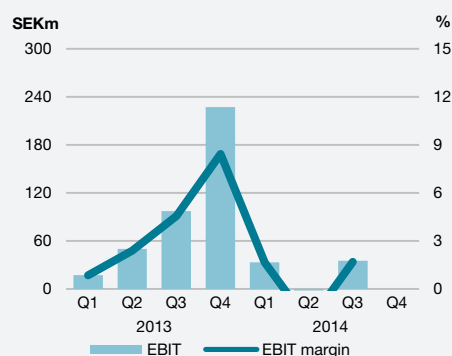
Small Appliances

In the third quarter of 2014, market demand for vacuum cleaners in Europe and North America is estimated to have increased somewhat year-over-year.

Sales for the operations in Small Appliances declined mainly due to lower sales volumes. Lower sales of upright vacuum cleaners in the US and weak market conditions in Latin America impacted sales in the quarter. Sales of small domestic appliances continued to increase year-over-year and displayed good growth in several regions.

Operating income for the third quarter declined year-over-year, primarily as a result of lower volumes. In addition, negative currency development mainly related to Latin America and price pressure had an adverse impact on the results. This was offset to some extent by product mix improvements in all regions.

Operating income and margin



SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	8,952	6,255	6,014	2,131	2,075
Organic growth, %	4.4	4.3	-3.4	5.6	-5.5
Operating income	391	164	27	97	35
Operating margin, %	4.4	2.6	0.4	4.6	1.7

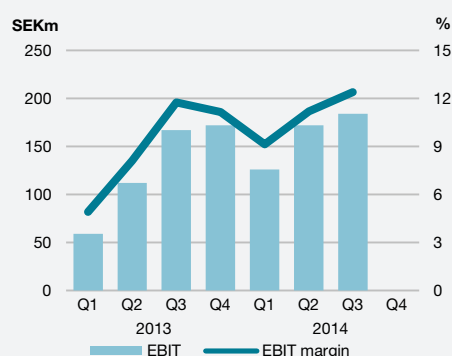
Professional Products

Overall market demand for professional food-service and professional laundry equipment improved during the third quarter, year-over-year. Western Europe, where Electrolux holds a strong position, is estimated to have been slightly positive, but demand slowed in several markets. Demand in the US and emerging markets displayed growth year-over-year.

Electrolux showed a slight organic growth in the third quarter and the Group continued to gain market shares. Sales growth in Western Europe, which accounts for more than 60% of sales, was the main contributor to this development. Sales in growth markets continued to increase. This was primarily the result of the Group's strategic initiatives to grow in new markets and segments, as well as launches of new products.

Operating income and margin improved compared with the year-earlier period mainly as a result of higher sales volumes and an improved cost structure.

Operating income and margin



SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	5,550	4,006	4,400	1,422	1,484
Organic growth, %	1.7	-1.3	7.1	9.7	0.7
Operating income	510	338	482	167	184
Operating margin, %	9.2	8.4	11.0	11.7	12.4

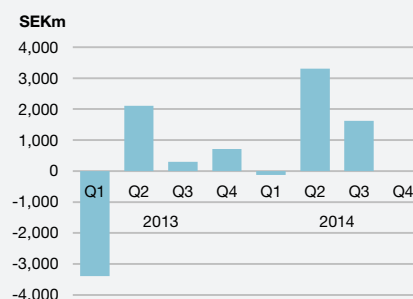
Cash flow

Operating cash flow after investments in the third quarter of 2014 improved significantly compared with the preceding year and amounted to SEK 1,603m (1,036). The improvement refers mainly to higher earnings and lower capital expenditure. Cash flow from working capital is normally weak in the third quarter reflecting the build up of inventories for the seasonally stronger fourth quarter.

Payments for the ongoing restructuring and cost-cutting programs amounted to SEK 240m in the quarter.

Cash flow for the first nine months far exceeded the level in the preceding year.

Operating cash flow after investments



SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
EBITDA ¹⁾	7,616	5,573	6,186	2,036	2,366
Change in operating assets and liabilities	-675	-1,512	919	168	122
Operating cash flow	6,941	4,061	7,105	2,204	2,488
Investments in fixed assets ²⁾	-4,529	-3,133	-2,318	-1,168	-885
Operating cash flow after investments	2,412	928	4,787	1,036	1,603
Restructuring payments	-603	-361	-711	-129	-240
Acquisitions and divestments of operations	-205	-202	-68	—	-67
Operating cash flow after structural changes	1,604	365	4,008	907	1,296
Financial items paid, net	-540	-418	-420	-138	-104
Taxes paid	-1,343	-938	-601	-475	-99
Free cash flow³⁾	-279	-991	2,987	294	1,093
Dividend	-1,860	-1,860	-1,861	—	—
Total cash flow, excluding change in loans and short-term investments	-2,139	-2,851	1,126	294	1,093

¹⁾ Operating income excluding items affecting comparability plus depreciation and amortization plus 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 decreased by SEK 1,439m during the third quarter of 2014 as a result of the strong operating cash flow after investments. Net provision for post-employment benefits increased by SEK 146m. In total, net debt decreased by SEK 1,293m during the third quarter.

Long-term borrowings as of September 30, 2014, including long-term borrowings with maturities within 12 months, amounted to SEK 12,076m with average maturity of 2.8 years, compared to SEK 12,207m and 3.3 years at the end of 2013. During 2015, long-term borrowings in the amount of SEK 2,551m will mature.

Liquid funds as of September 30, 2014, amounted to SEK 8,257m (5,523), excluding short-term back-up facilities.

Net assets and working capital

Average net assets for the period amounted to SEK 24,933m (25,571). Net assets as of September 30, 2014, amounted to SEK 24,900m (26,800). Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets amounted to SEK 27,697m (29,329), corresponding to 25.7% (27.4) of net sales.

Working capital as of September 30, 2014, amounted to SEK -7,618m (-3,894), corresponding to -6.5% (-3.6) of annualized net sales. The return on net assets was 17.5% (13.3), and 23.9% (12.9), excluding items affecting comparability.

Net debt

SEKm	Dec. 31, 2013	Sept. 30, 2013	Sept. 30, 2014
Borrowings	14,905	14,182	14,282
Liquid funds ¹⁾	7,232	5,523	8,257
Financial net debt	7,673	8,659	6,025
Net provisions for post-employment benefits	2,980	2,862	3,570
Net debt	10,653	11,521	9,595
Net debt/equity ratio	0.74	0.75	0.63
Equity	14,308	15,279	15,305
Equity per share, SEK	49.99	53.38	53.45
Return on equity, %	4.4	14.4	18.7
Equity/assets ratio, %	20.8	22.2	21.0

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 4,570m, maturing in 2018.

Structural changes

In 2013, Electrolux communicated actions to reduce annual costs by SEK 1.8bn for a charge of SEK 3.4bn. Cost savings will be achieved through manufacturing footprint restructuring as well as through overhead-cost reductions. These actions relate mainly to Major Appliances Europe, Middle East and Africa, but also to other business areas and Group Staff.

As of September 30, 2014, restructuring costs amounting to SEK 2.6bn of the SEK 3.4bn plan have been charged to operating income within items affecting comparability.

The global manufacturing footprint program initiated in 2004 for increased competitiveness is now in its final stages. Consultations are initiated with employee representatives regarding the production in Mariestad, Sweden, and Schwanden, Switzerland. These processes will include reviews of potential alterna-

tive solutions for the plants. The potential restructuring costs is expected to be well within the previously communicated total manufacturing footprint charge of SEK 3.4bn for the period 2012-2016. Decisions will be taken after the consultations.

When this program ends, Electrolux will eliminate the practice of "items affecting comparability" and take any potential future restructuring charges directly to earnings.

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 300 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.

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.

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.

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 at <http://www.electrolux.com/ir>

Other items

Nomination Committee for Electrolux Annual General Meeting 2015

In accordance with decision by the Annual General Meeting, Electrolux Nomination Committee shall consist of six members. The members should be one representative of each of the four largest shareholders in terms of voting rights that wish to participate in the committee, together with the Chairman of the Electrolux Board and one additional Board member.

The members of the Nomination Committee have been appointed based on the ownership structure as of August 29, 2014. Börje Ekholm, Investor AB, is the Chairman of the committee. The other owner representatives are Kaj Thorén, Alecta, Mathias Leijon, Nordea Investment Funds, and Marianne Nilsson, Swedbank Robur funds. The committee will also include Ronnie Leten and Torben Ballegaard Sørensen, Chairman and Director, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2015 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

Electrolux Annual General Meeting 2015 will be held on March 26 at The Brewery Conference Centre (Münchenbryggeriet), situated at Torkel Knutssonsgatan 2 in Stockholm, Sweden.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to nominationcommittee@electrolux.com

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 September 30, 2014, the Group had a total of 3,174 (2,953) cases pending, representing approximately 3,242 (approximately 3,013) plaintiffs. During the third quarter of 2014, 336 new cases with 336 plaintiffs were filed and 128 pending cases with approximately 128 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 2013 Annual Report on page 76. 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 2013, www.electrolux.com/annualreport2013

Press releases 2014

January 22	Electrolux named Industry Leader in RobecoSAM annual rating
January 31	Consolidated results 2013 and CEO Keith McLoughlin's comments
February 21	Notice convening the Annual General Meeting of AB Electrolux
February 21	Changes to the Board of AB Electrolux
February 21	Electrolux Annual Report 2013 is published
March 6	Electrolux Capital Markets Day in Charlotte, USA, November 20, 2014
March 26	Electrolux unveils new climate impact target in 2013 Sustainability Report
March 27	Bulletin from AB Electrolux Annual General Meeting 2014
April 25	Interim Report January-March 2014 and CEO Keith McLoughlin's comments

May 7	Electrolux Design Lab Top 100+ are online
May 28	Electrolux issues Bond Loan
July 18	Interim Report January-June 2014 and CEO Keith McLoughlin's comments
August 27	Electrolux joins AllSeen Alliance to enable seamlessly connected appliances
September 8	Electrolux to acquire GE Appliances
September 11	Electrolux leads Household Durables in Dow Jones Sustainability Indices
September 12	Electrolux Ergorapido turns 10 and 10 million sold
September 25	Nomination Committee appointed for Electrolux Annual General Meeting 2015
October 7	Electrolux acquires Australian BBQ business

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 nine months 2014 amounted to SEK 21,053m (20,957) of which SEK 16,919m (17,079) referred to sales to Group companies and SEK 4,134m (3,878) to external customers. Income after financial items was SEK 142m (364), including dividends from subsidiaries in the amount of SEK 813m (1,703). Income for the period amounted to SEK 376m (443).

Capital expenditure in tangible and intangible assets was SEK 179m (338). Liquid funds at the end of the period amounted to SEK 3,257m, as against SEK 2,795m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 11,145m, as against SEK 12,531m at the start of the year. Dividend payment to shareholders for 2013 amounted to SEK 1,861m.

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

Stockholm, October 20, 2014

Keith McLoughlin
President and CEO

Report of Review of Interim Financial Information report

Introduction

We have reviewed the condensed interim financial information (interim report) of AB Electrolux (publ) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 20, 2014

PricewaterhouseCoopers AB

Anders Lundin
Authorized Public Accountant
Lead partner

Anna Rosendal
Authorized Public Accountant

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 2013.

Consolidated income statement

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	109,151	80,260	80,743	27,258	28,784
Cost of goods sold	-87,892	-64,705	-65,130	-21,974	-23,109
Gross operating income¹⁾	21,259	15,555	15,613	5,284	5,675
Selling expenses	-11,564	-8,415	-8,460	-2,761	-2,919
Administrative expenses	-5,646	-4,296	-3,891	-1,439	-1,352
Other operating income/expenses	6	-12	46	-9	-12
Items affecting comparability	-2,475	-82	-1,122	—	—
Operating income	1,580	2,750	2,186	1,075	1,392
Margin, %	1.4	3.4	2.7	3.9	4.8
Financial items, net	-676	-524	-481	-191	-142
Income after financial items	904	2,226	1,705	884	1,250
Margin, %	0.8	2.8	2.1	3.2	4.3
Taxes	-232	-567	-433	-228	-317
Income for the period	672	1,659	1,272	656	933
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	1,851	1,669	-544	16	-154
Income tax relating to items that will not be reclassified	-636	-476	465	-66	431
	1,215	1,193	-79	-50	277
Items that may be reclassified subsequently to income for the period:					
Available for sale instruments	-69	-68	19	-54	-4
Cash flow hedges	41	-51	4	-133	92
Exchange-rate differences on translation of foreign operations	-1,518	-1,409	1,561	-1,123	837
Income tax relating to items that may be reclassified	29	33	—	42	-19
	-1,517	-1,495	1,584	-1,268	906
Other comprehensive income, net of tax	-302	-302	1,505	-1,318	1,183
Total comprehensive income for the period	370	1,357	2,777	-662	2,116
Income for the period attributable to:					
Equity holders of the Parent Company	671	1,658	1,272	655	933
Non-controlling interests	1	1	—	1	—
Total	672	1,659	1,272	656	933
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	374	1,360	2,778	-659	2,116
Non-controlling interests	-4	-3	-1	-3	—
Total	370	1,357	2,777	-662	2,116
Earnings per share, SEK	2.35	5.79	4.44	2.29	3.26
Diluted, SEK	2.34	5.77	4.42	2.28	3.24
Number of shares after buy-backs, million	286.2	286.2	286.3	286.2	286.3
Average number of shares after buy-backs, million	286.2	286.2	286.3	286.2	286.3
Diluted, million	287.3	287.0	288.1	287.0	288.5

¹⁾ As of 2014, selling and administrative costs in the factories are included in cost of goods sold. This reporting change reduces the reported gross operating income annually by approximately SEK 450m with the corresponding reductions in the line items selling and administrative expenses. The change in calculation has no impact on operating income and previous periods have not been restated.

Items affecting comparability

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Restructuring provisions and write-downs					
Manufacturing footprint restructuring	-594	-82	-923	—	—
Program for reduction of overhead costs	-975	—	-199	—	—
Impairment of ERP system	-906	—	—	—	—
Total	-2,475	-82	-1,122	—	—

Consolidated balance sheet

SEKm	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014
Assets			
Property, plant and equipment	17,264	16,672	17,844
Goodwill	4,875	5,006	5,103
Other intangible assets	4,011	5,013	3,806
Investments in associates	221	220	224
Deferred tax assets	4,385	3,890	4,908
Financial assets	279	275	308
Pension plan assets	445	335	522
Other non-current assets	752	697	1,040
Total non-current assets	32,232	32,108	33,755
Inventories	12,154	13,477	15,463
Trade receivables	19,441	18,505	18,529
Tax assets	746	606	564
Derivatives	268	152	298
Other current assets	4,405	4,267	4,824
Short-term investments	148	156	99
Cash and cash equivalents	6,607	4,971	7,616
Total current assets	43,769	42,134	47,393
Total assets	76,001	74,242	81,148
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	-2,658	-2,635	-1,072
Retained earnings	12,482	13,429	11,896
Total equity	14,274	15,244	15,274
Non-controlling interests	34	35	31
Total equity	14,308	15,279	15,305
Long-term borrowings	11,935	11,859	9,524
Deferred tax liabilities	1,026	1,079	715
Provisions for post-employment benefits	3,425	3,197	4,092
Other provisions	4,522	3,991	5,213
Total non-current liabilities	20,908	20,126	19,544
Accounts payable	20,607	20,692	24,198
Tax liabilities	1,331	1,239	1,180
Short-term liabilities	12,886	12,346	13,085
Short-term borrowings	2,733	2,036	4,600
Derivatives	194	280	104
Other provisions	3,034	2,244	3,132
Total current liabilities	40,785	38,837	46,299
Total equity and liabilities	76,001	74,242	81,148
Contingent liabilities	1,458	1,619	2,974

Change in consolidated equity

SEKm	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014
Opening balance	15,726	15,726	14,308
Total comprehensive income for the period	370	1,357	2,777
Share-based payment	77	58	82
Dividend	-1,860	-1,860	-1,861
Acquisition of operations	-5	-2	-1
Total transactions with equity holders	-1,788	-1,804	-1,780
Closing balance	14,308	15,279	15,305

Consolidated cash flow statement

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Operations					
Operating income	1,580	2,750	2,186	1,075	1,392
Depreciation and amortization	3,356	2,480	2,728	849	947
Restructuring provisions	1,855	-286	411	-129	-240
Other non-cash items	222	268	150	112	27
Financial items paid, net	-540	-418	-420	-138	-104
Taxes paid	-1,343	-938	-601	-475	-99
Cash flow from operations, excluding change in operating assets and liabilities	5,130	3,856	4,454	1,294	1,923
Change in operating assets and liabilities					
Change in inventories	165	-1,141	-2,449	-15	-573
Change in trade receivables	-1,932	-958	1,916	67	-735
Change in accounts payable	609	826	2,303	-173	993
Change in other operating assets, liabilities and provisions	483	-239	-851	289	437
Cash flow from change in operating assets and liabilities	-675	-1,512	919	168	122
Cash flow from operations	4,455	2,344	5,373	1,462	2,045
Investments					
Acquisition of operations ¹⁾	-205	-202	-68	-	-67
Capital expenditure in property, plant and equipment	-3,535	-2,346	-1,854	-845	-734
Capital expenditure in product development	-442	-347	-267	-114	-114
Capital expenditure in software	-514	-453	-199	-170	-49
Other ²⁾	-38	13	2	-39	12
Cash flow from investments	-4,734	-3,335	-2,386	-1,168	-952
Cash flow from operations and investments	-279	-991	2,987	294	1,093
Financing					
Change in short-term investments	-25	-34	49	-32	-21
Change in short-term borrowings	1,151	86	-82	-553	-50
New long-term borrowings	3,039	3,039	1,022	14	16
Amortization of long-term borrowings	-1,851	-1,846	-1,249	-1,005	-5
Dividend	-1,860	-1,860	-1,861	-	-
Cash flow from financing	454	-615	-2,121	-1,576	-60
Total cash flow	175	-1,606	866	-1,282	1,033
Cash and cash equivalents at beginning of period	6,835	6,835	6,607	6,427	6,522
Exchange-rate differences referring to cash and cash equivalents	-403	-258	143	-174	61
Cash and cash equivalents at end of period	6,607	4,971	7,616	4,971	7,616

¹⁾ Includes the purchase and subsequent divestment of the Electrolux head-office building in 2013. Electrolux remaining investment in the real estate company is SEK 200m.

²⁾ Includes grants related to investments of SEK 222m for the full year of 2013.

Key ratios

SEKm unless otherwise stated	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	109,151	80,260	80,743	27,258	28,784
Organic growth, %	4.5	4.9	0.7	4.9	1.6
Items affecting comparability	-2,475	-82	-1,122	—	—
Operating income	1,580	2,750	2,186	1,075	1,392
Margin, %	1.4	3.4	2.7	3.9	4.8
Income after financial items	904	2,226	1,705	884	1,250
Income for the period	672	1,659	1,272	656	933
Capital expenditure, property, plant and equipment	-3,535	-2,346	-1,854	-845	-734
Operating cash flow after investments	2,412	928	4,787	1,036	1,603
Earnings per share, SEK ¹⁾	2.35	5.79	4.44	2.29	3.26
Equity per share, SEK	49.99	53.38	53.45	53.38	53.45
Capital-turnover rate, times/year	4.0	3.9	6.5	—	—
Return on net assets, %	5.8	13.3	17.5	—	—
Return on equity, %	4.4	14.4	18.7	—	—
Net debt	10,653	11,521	9,595	11,521	9,595
Net debt/equity ratio	0.74	0.75	0.63	—	—
Average number of shares excluding shares owned by Electrolux, million	286.2	286.2	286.3	286.2	286.3
Average number of employees	60,754	60,747	59,839	60,834	58,343
Excluding items affecting comparability					
Operating income	4,055	2,832	3,308	1,075	1,392
Margin, %	3.7	3.5	4.1	3.9	4.8
Earnings per share, SEK ¹⁾	9.81	6.01	7.66	2.29	3.26
Capital-turnover rate, times/year	3.8	3.6	5.8	—	—
Return on net assets, %	14.3	12.9	23.9	—	—

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

Shares

	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares					
Number of shares as of January 1, 2014	8,192,539	300,727,769	308,920,308	22,708,321	286,211,987
Conversion of A-shares into B-shares	—	—	—	—	—
Sale of shares	—	—	—	—	—
Shares allotted to senior managers under the Performance Share Program	—	—	—	-108,437	108,437
Number of shares as of September 30, 2014	8,192,539	300,727,769	308,920,308	22,599,884	286,320,424
As % of total number of shares				7.3%	

Exchange rates

SEK	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014
AUD, average	6.29	6.40	6.11
AUD, end of period	5.75	5.99	6.33
BRL, average	3.03	3.08	2.91
BRL, end of period	2.76	2.88	2.96
CAD, average	6.32	6.38	6.12
CAD, end of period	6.04	6.23	6.49
EUR, average	8.67	8.61	9.04
EUR, end of period	8.91	8.66	9.14
GBP, average	10.23	10.12	11.15
GBP, end of period	10.67	10.36	11.75
HUF, average	0.0292	0.0290	0.0293
HUF, end of period	0.0300	0.0291	0.0295
USD, average	6.52	6.53	6.70
USD, end of period	6.47	6.41	7.25

Net sales by business area

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Major Appliances Europe, Middle East and Africa	33,436	24,155	24,713	8,520	8,741
Major Appliances North America	31,864	24,291	25,217	8,165	9,089
Major Appliances Latin America	20,695	15,056	13,907	4,699	5,053
Major Appliances Asia/Pacific	8,653	6,496	6,491	2,321	2,342
Small Appliances	8,952	6,255	6,014	2,131	2,075
Professional Products	5,550	4,006	4,400	1,422	1,484
Other	1	1	1	—	—
Total	109,151	80,260	80,743	27,258	28,784

Operating income by business area

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Major Appliances Europe, Middle East and Africa	347	120	825	111	484
Margin, %	1.0	0.5	3.3	1.3	5.5
Major Appliances North America	2,136	1,683	1,580	563	518
Margin, %	6.7	6.9	6.3	6.9	5.7
Major Appliances Latin America	979	755	601	243	242
Margin, %	4.7	5.0	4.3	5.2	4.8
Major Appliances Asia/Pacific	467	371	248	117	125
Margin, %	5.4	5.7	3.8	5.0	5.3
Small Appliances	391	164	27	97	35
Margin, %	4.4	2.6	0.4	4.6	1.7
Professional Products	510	338	482	167	184
Margin, %	9.2	8.4	11.0	11.7	12.4
Common group costs, etc.	-775	-599	-455	-223	-196
Total Group, excluding items affecting comparability	4,055	2,832	3,308	1,075	1,392
Margin, %	3.7	3.5	4.1	3.9	4.8
Items affecting comparability	-2,475	-82	-1,122	—	—
Operating income	1,580	2,750	2,186	1,075	1,392
Margin, %	1.4	3.4	2.7	3.9	4.8

Change in net sales by business area

Year-over-year, %	Nine months 2014	Nine months 2014 in local currencies	Q3 2014	Q3 2014 in local currencies
Major Appliances Europe, Middle East and Africa	2.3	-0.8	2.6	-1.3
Major Appliances North America	3.8	2.0	11.3	5.0
Major Appliances Latin America	-7.6	0.5	7.5	7.8
Major Appliances Asia/Pacific	-0.1	1.9	0.9	-4.4
Small Appliances	-3.9	-3.4	-2.6	-5.5
Professional Products	9.8	7.1	4.4	0.7
Total change	0.6	0.7	5.6	1.6

Change in operating income by business area

Year-over-year, %	Nine months 2014	Nine months 2014 in local currencies	Q3 2014	Q3 2014 in local currencies
Major Appliances Europe, Middle East and Africa	587.5	585.5	336.0	316.9
Major Appliances North America	-6.1	-7.6	-8.0	-12.7
Major Appliances Latin America	-20.4	-11.4	-0.4	6.1
Major Appliances Asia/Pacific	-33.2	-29.3	6.8	3.8
Small Appliances	-83.5	-82.6	-63.9	-68.1
Professional Products	42.6	40.8	10.2	8.3
Total change, excluding items affecting comparability	16.8	18.1	29.5	25.7

Working capital and net assets

SEKm	Dec. 31, 2013	% of annualized net sales	Sept 30, 2013	% of annualized net sales	Sept 30, 2014	% of annualized net sales
Inventories	12,154	10.6	13,477	12.5	15,463	13.2
Trade receivables	19,441	17.0	18,505	17.2	18,529	15.9
Accounts payable	-20,607	-18.0	-20,692	-19.2	-24,198	-20.7
Provisions	-7,556		-6,235		-8,345	
Prepaid and accrued income and expenses	-7,933		-7,808		-7,930	
Taxes and other assets and liabilities	-1,299		-1,141		-1,137	
Working capital	-5,800	-5.1	-3,894	-3.6	-7,618	-6.5
Property, plant and equipment	17,264		16,672		17,844	
Goodwill	4,875		5,006		5,103	
Other non-current assets	5,263		6,205		5,378	
Deferred tax assets and liabilities	3,359		2,811		4,193	
Net assets	24,961	21.8	26,800	24.9	24,900	21.3
Average net assets	27,148	24.9	27,571	25.8	24,933	23.2
Average net assets, excluding items affecting comparability	28,915	26.5	29,329	27.4	27,697	25.7

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014
Major Appliances Europe, Middle East and Africa	22,936	22,856	22,688	14,408	13,689	14,861	8,528	9,167	7,827
Major Appliances North America	12,886	13,139	16,239	7,606	8,742	10,758	5,280	4,397	5,481
Major Appliances Latin America	12,875	13,015	13,171	6,321	6,054	6,687	6,554	6,961	6,484
Major Appliances Asia/Pacific	4,866	4,925	5,468	2,852	2,922	3,060	2,014	2,003	2,408
Small Appliances	4,756	4,713	4,793	3,202	2,851	3,059	1,554	1,862	1,734
Professional Products	2,720	2,692	2,915	1,760	1,786	1,974	960	906	941
Other ¹⁾	7,285	7,044	7,095	7,214	5,540	7,070	71	1,504	25
Total operating assets and liabilities	68,324	68,384	72,369	43,363	41,584	47,469	24,961	26,800	24,900
Liquid funds	7,232	5,523	8,257	—	—	—	—	—	—
Interest-bearing receivables	—	—	—	—	—	—	—	—	—
Interest-bearing liabilities	—	—	—	14,905	14,182	14,282	—	—	—
Pension assets and liabilities	445	335	522	3,425	3,197	4,092	—	—	—
Dividend payable	—	—	—	—	—	—	—	—	—
Equity	—	—	—	14,308	15,279	15,305	—	—	—
Total	76,001	74,242	81,148	76,001	74,242	81,148	—	—	—

¹⁾ Includes common functions, tax items and restructuring provisions.

Net sales and income per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330	28,784		
Operating income	638	1,037	1,075	-1,170	1,580	731	63	1,392		
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9	0.2	4.8		
Operating income, excluding items affecting comparability	720	1,037	1,075	1,223	4,055	749	1,167	1,392		
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9	4.4	4.8		
Income after financial items	483	859	884	-1,322	904	575	-120	1,250		
Income after financial items, excluding items affecting comparability	565	859	884	1,071	3,379	593	984	1,250		
Income for the period	361	642	656	-987	672	431	-92	933		
Earnings per share, SEK ¹⁾	1.26	2.24	2.29	-3.44	2.35	1.50	-0.32	3.26		
Earnings per share, SEK, excluding items affecting comparability ¹⁾	1.48	2.24	2.29	3.80	9.81	1.55	2.85	3.26		
Items affecting comparability ²⁾	-82	—	—	-2,393	-2,475	-18	-1,104	—		
Number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2	286.3	286.3		
Average number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2	286.3	286.3		

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

²⁾ Restructuring provisions, write-downs and capital loss on divestments.

Net sales and operating income by business area per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
Major Appliances Europe, Middle East and Africa										
Net sales	7,595	8,040	8,520	9,281	33,436	7,865	8,107	8,741		
Operating income	11	-2	111	227	347	142	199	484		
Margin, %	0.1	0.0	1.3	2.4	1.0	1.8	2.5	5.5		
Major Appliances North America										
Net sales	7,678	8,448	8,165	7,573	31,864	7,664	8,464	9,089		
Operating income	457	663	563	453	2,136	382	680	518		
Margin, %	6.0	7.8	6.9	6.0	6.7	5.0	8.0	5.7		
Major Appliances Latin America										
Net sales	4,885	5,472	4,699	5,639	20,695	4,790	4,064	5,053		
Operating income	251	261	243	224	979	217	142	242		
Margin, %	5.1	4.8	5.2	4.0	4.7	4.5	3.5	4.8		
Major Appliances Asia/Pacific										
Net sales	1,948	2,227	2,321	2,157	8,653	1,928	2,221	2,342		
Operating income	106	148	117	96	467	21	102	125		
Margin, %	5.4	6.6	5.0	4.5	5.4	1.1	4.6	5.3		
Small Appliances										
Net sales	2,020	2,104	2,131	2,697	8,952	2,001	1,938	2,075		
Operating income	17	50	97	227	391	33	-41	35		
Margin, %	0.8	2.4	4.6	8.4	4.4	1.6	-2.1	1.7		
Professional Products										
Net sales	1,201	1,383	1,422	1,544	5,550	1,380	1,536	1,484		
Operating income	59	112	167	172	510	126	172	184		
Margin, %	4.9	8.1	11.7	11.1	9.2	9.1	11.2	12.4		
Other										
Net sales	1	-	-	-	1	1	-	-		
Operating income, common group costs, etc.	-181	-195	-223	-176	-775	-172	-87	-196		
Total Group, excluding items affecting comparability										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330	28,784		
Operating income	720	1,037	1,075	1,223	4,055	749	1,167	1,392		
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9	4.4	4.8		
Items affecting comparability										
	-82	-	-	-2,393	-2,475	-18	-1,104	-		
Total Group										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330	28,784		
Operating income	638	1,037	1,075	-1,170	1,580	731	63	1,392		
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9	0.2	4.8		

Fair value and carrying amount on financial assets and liabilities

SEKm	Full year 2013		Sept 30, 2013		Sept 30, 2014	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	2,021	2,021	1,389	1,389	2,168	2,168
Available for sale	160	160	162	162	177	177
Loans and receivables	20,664	20,664	19,592	19,592	20,359	20,359
Cash	3,871	3,871	2,918	2,918	4,145	4,145
Total financial assets	26,716	26,716	24,061	24,061	26,849	26,849
Financial liabilities at fair value through profit and loss	171	171	284	284	104	104
Financial liabilities measured at amortized cost	35,405	35,275	34,705	34,587	37,786	37,636
Total financial liabilities	35,576	35,446	34,989	34,871	37,890	37,740

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 2013			Sept 30, 2013			Sept 30, 2014		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets	279	—	279	275	—	275	308	—	308
Financial assets at fair value through profit and loss	119	—	119	113	—	113	131	—	131
Available for sale	160	—	160	162	—	162	177	—	177
Derivatives	—	241	241	—	154	154	—	297	297
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	93	93	—	15	15	—	181	181
Derivatives for which hedge accounting is applied	—	148	148	—	139	139	—	116	116
Short-term investments and cash equivalents	1,661	—	1,661	1,122	—	1,122	1,740	—	1,740
Financial assets at fair value through profit and loss	1,661	—	1,661	1,122	—	1,122	1,740	—	1,740
Total financial assets	1,940	241	2,181	1,397	154	1,551	2,048	297	2,345
Financial liabilities									
Derivatives	—	171	171	—	284	284	—	104	104
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	78	78	—	141	141	—	69	69
Derivatives for which hedge accounting is applied	—	93	93	—	143	143	—	35	35
Total financial liabilities	—	171	171	—	284	284	—	104	104

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.

The disclosure of this information in the interim report is a consequence of updated disclosure requirements in IAS 34 Interim Financial Reporting. The information was earlier provided yearly in the notes to the financial statements in the Annual Report.

Parent Company income statement

SEKm	Full year 2013	Nine months 2013	Nine months 2014	Q3 2013	Q3 2014
Net sales	28,856	20,957	21,053	7,370	7,449
Cost of goods sold	-25,382	-18,185	-18,223	-6,475	-6,330
Gross operating income	3,474	2,772	2,830	895	1,119
Selling expenses	-3,783	-2,613	-2,427	-897	-835
Administrative expenses	-1,196	-1,125	-961	-268	-255
Other operating income	9	9	—	—	-2
Other operating expenses	-1,874	-9	-172	-9	2
Operating income	-3,370	-966	-730	-279	29
Financial income	2,335	1,936	1,094	859	126
Financial expenses	-826	-561	-222	-216	-91
Financial items, net	1,509	1,375	872	643	35
Income after financial items	-1,861	409	142	364	64
Appropriations	187	82	159	54	71
Income before taxes	-1,674	491	301	418	135
Taxes	765	-48	75	-17	-49
Income for the period	-909	443	376	401	86

Parent Company balance sheet

SEKm	Dec. 31, 2013	Sept 30, 2013	Sept 30, 2014
Assets			
Non-current assets	33,001	34,780	33,499
Current assets	22,027	18,022	20,584
Total assets	55,028	52,802	54,083
Equity and liabilities			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	12,531	13,865	11,145
Total equity	17,093	18,427	15,707
Untaxed reserves	558	557	516
Provisions	1,843	1,021	1,714
Non-current liabilities	11,472	11,400	9,075
Current liabilities	24,062	21,397	27,071
Total equity and liabilities	55,028	52,802	54,083
Pledged assets	—	—	—
Contingent liabilities	1,815	1,655	3,417

Operations by business area yearly

SEKm	2009	2010	2011	2012	2013
Major Appliances Europe, Middle East and Africa					
Net sales	40,500	36,596	34,029	34,278	33,436
Operating income	1,912	2,297	709	1,105	347
Margin, %	4.7	6.3	2.1	3.2	1.0
Major Appliances North America					
Net sales	32,694	30,969	27,665	30,684	31,864
Operating income	1,299	1,442	250	1,452	2,136
Margin, %	4.0	4.7	0.9	4.7	6.7
Major Appliances Latin America					
Net sales	13,302	16,260	17,810	22,044	20,695
Operating income	809	951	820	1,590	979
Margin, %	6.1	5.8	4.6	7.2	4.7
Major Appliances Asia/Pacific					
Net sales	7,037	7,679	7,852	8,405	8,653
Operating income	378	793	736	746	467
Margin, %	5.4	10.3	9.4	8.9	5.4
Small Appliances					
Net sales	8,464	8,422	8,359	9,011	8,952
Operating income	763	802	543	461	391
Margin, %	9.0	9.5	6.5	5.1	4.4
Professional Products					
Net sales	7,129	6,389	5,882	5,571	5,550
Operating income	668	743	841	588	510
Margin, %	9.4	11.6	14.3	10.6	9.2
Other					
Net sales	6	11	1	1	1
Operating income, common Group costs, etc.	-507	-534	-744	-910	-775
Total Group, excluding items affecting comparability					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
Total Group, including items affecting comparability					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4

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.

Five-year review

SEKm unless otherwise stated	2009	2010	2011	2012	2013
Net sales	109,132	106,326	101,598	109,994	109,151
Organic growth, %	-4.8	1.5	0.2	5.5	4.5
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4
Income after financial items	3,484	5,306	2,780	3,154	904
Income for the period	2,607	3,997	2,064	2,365	672
Capital expenditure, property, plant and equipment	2,223	3,221	3,163	4,090	-3,535
Operating cash flow after investments	7,730	5,357	3,407	5,273	2,412
Earnings per share, SEK	9.18	14.04	7.25	8.26	2.35
Equity per share, SEK	66	72	73	55	50
Dividend per share, SEK	4.00	6.50	6.50	6.50	6.50
Capital-turnover rate, times/year	5.6	5.4	4.6	4.1	4.0
Return on net assets, %	19.4	27.8	13.7	14.8	5.8
Return on equity, %	14.9	20.6	10.4	14.4	4.4
Net debt	665	-709	6,367	10,164	10,653
Net debt/equity ratio	0.04	-0.03	0.31	0.65	0.74
Average number of shares excluding shares owned by Electrolux, million	284.0	284.6	284.7	285.9	286.2
Average number of employees	50,633	51,544	52,916	59,478	60,754
Excluding items affecting comparability					
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Earnings per share, SEK	13.56	16.65	7.55	11.36	9.81
Capital-turnover rate, times/year	5.4	5.1	4.3	3.9	3.8
Return on net assets, %	26.2	31.0	13.5	17.9	14.0

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. The key ratios exclude items affecting comparability.

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 third-quarter results 2014

Today's press release is available on the Electrolux website <http://www.electrolux.com/ir>

Presentation at Operaterrassen on Oktober 20 at 09.00 CET

The results will on this occasion be presented to the financial community and media at Operaterrassen in Stockholm on Monday, October 20, at 09.00 CET.

The conference is chaired by Electrolux President and CEO Keith McLoughlin. Mr. McLoughlin is accompanied by Tomas Eliasson, CFO. The presentation will be held in English and live webcasted on the Electrolux website, where a slide presentation will be available. It is also possible to participate by telephone.

Venue and time of presentation:

Operaterrassen, Operahuset, Karl XII:s torg, Stockholm, 09.00 CET

Link to webcast:

<http://www.electrolux.com/interim-report-webcast>

Slide presentation for download:

<http://www.electrolux.com/ir>

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

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Calendar 2015

Consolidated results for 2014	January 28
Annual General Meeting	March 26
Interim report January - March	April 24
Interim report January - June	July 17
Interim report January - September	October 23

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